



**Second Half and Full Year Unaudited Financial Statements and Dividend Announcement
for the Year Ended 31 December 2020**

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**Second Half and Full Year Unaudited Financial Statements and Dividend Announcement for the Year Ended 31 December 2020**

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

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2020	2H FY2019	+ /(-)	12M FY2020	12M FY2019	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	12,601	16,709	(24.6)	26,980	33,033	(18.3)
Interest expense	(2,454)	(3,692)	(33.5)	(5,984)	(7,745)	(22.7)
Net interest income	10,147	13,017	(22.0)	20,996	25,288	(17.0)
Gross written premiums	2,940	2,995	(1.8)	6,188	5,588	10.7
Change in gross provision for unexpired risks	964	422	128.4	753	2,067	(63.6)
Gross earned premium revenue	3,904	3,417	14.3	6,941	7,655	(9.3)
Written premiums ceded to reinsurers	(662)	(385)	71.9	(1,115)	(784)	42.2
Reinsurers' share of change in provision for unexpired risks	(996)	(702)	41.9	(996)	(702)	41.9
Reinsurance premium expense	(1,658)	(1,087)	52.5	(2,111)	(1,486)	42.1
Net earned premium revenue (i)	2,246	2,330	(3.6)	4,830	6,169	(21.7)
Fee and commission income	3,053	4,506	(32.2)	6,497	8,632	(24.7)
Investment income	561	3,504	(84.0)	709	4,982	(85.8)
Other income	171	709	(75.9)	461	1,513	(69.5)
Sub-total (ii)	3,785	8,719	(56.6)	7,667	15,127	(49.3)
Non-interest income (i) + (ii)	6,031	11,049	(45.4)	12,497	21,296	(41.3)
Grant income	476	-	NM	1,491	-	NM
Income before operating expenses	16,654	24,066	(30.8)	34,984	46,584	(24.9)
Business development expenses	(244)	(334)	(26.9)	(514)	(644)	(20.2)
Commission expenses	(859)	(873)	(1.6)	(1,596)	(1,692)	(5.7)
Staff costs	(7,285)	(8,034)	(9.3)	(14,436)	(15,414)	(6.3)
General and administrative expenses	(3,382)	(3,110)	8.7	(6,707)	(6,479)	3.5
Operating expenses	(11,770)	(12,351)	(4.7)	(23,253)	(24,229)	(4.0)
Change in provision for insurance claims	(889)	(2,845)	(68.8)	751	(1,413)	NM
Reinsurers' share of change in provision for insurance claims	1,563	1,193	31.0	1,451	530	173.8
Gross claims paid	(18,277)	(2,333)	NM	(21,964)	(6,361)	NM
Reinsurers' share of claims paid	12,086	48	NM	12,913	840	NM
Net claims incurred	(5,517)	(3,937)	40.1	(6,849)	(6,404)	6.9
Operating (loss)/profit before allowances	(633)	7,778	NM	4,882	15,951	(69.4)
(Allowances for)/Reversal of loan losses and impairment of other assets	(1,872)	(357)	NM	(2,345)	392	NM
(Loss)/profit before tax	(2,505)	7,421	NM	2,537	16,343	(84.5)
Tax expense	1,014	(2,164)	NM	(176)	(4,238)	(95.8)
(Loss)/profit for the period/year	(1,491)	5,257	NM	2,361	12,105	(80.5)
(Loss)/profit attributable to:						
Owners of the Company	(2,093)	4,108	NM	795	9,388	(91.5)
Non-controlling interests	602	1,149	(47.6)	1,566	2,717	(42.4)
(Loss)/profit for the period/year	(1,491)	5,257	NM	2,361	12,105	(80.5)

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	6 months ended 31 December			12 months ended 31 December		
	2H FY2020	2H FY2019	+ /(-)	12M FY2020	12M FY2019	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(1,491)	5,257	NM	2,361	12,105	(80.5)
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Defined benefit plan remeasurement	36	13	177	36	13	177
Tax on items that will not be reclassified to profit or loss	-	(2)	Nm	-	(2)	Nm
	36	11	Nm	36	11	Nm
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences of foreign operations	(1,740)	1,165	NM	(1,434)	3,300	NM
	(1,740)	1,165	NM	(1,434)	3,300	NM
Other comprehensive income for the period, net of tax	(1,704)	1,176	NM	(1,398)	3,311	NM
Total comprehensive income for the period	(3,195)	6,433	NM	963	15,416	(93.8)
Attributable to:						
Owners of the Company	(3,417)	5,008	NM	(326)	11,869	NM
Non-controlling interests	222	1,425	(84.4)	1,289	3,547	(63.7)
	(3,195)	6,433	NM	963	15,416	(93.8)

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 loss from foreign currency translation differences of foreign operation in 2H FY2020 and 12M FY2020 was mainly due to the weaken of Thai Bath and Indonesia Rupiah against Singapore dollar comparing to 2H FY2019 and 12MFY2019.

Exchange rates for the respective reporting period were as follows:

	31-Dec 2020	30-Jun 2020	31-Dec 2019	30-Jun 2019
THB against SGD	22.954	22.441	22.594	22.993
MYR against SGD	3.0451	3.0713	3.0386	3.0590
IDR against SGD	10,644	10,265	10,321	10,446

1(a)(ii)

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

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2020	2H FY2019	+ /(-)	12M FY2020	12M FY2019	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Investment income						
- dividend, fee and interest income	584	992	(41.1)	1,285	1,833	(29.9)
- loss on disposal of debt securities	(18)	(8)	125.0	(66)	(8)	NM
- net change in fair value of financial assets at fair value through profit or loss	102	2,611	(96.1)	(528)	3,374	NM
- amortisation of debt securities at amortised cost	(11)	(28)	(60.7)	(14)	(57)	(75.4)
- exchange (loss)/gain	(96)	(63)	52.4	32	(160)	NM
	<u>561</u>	<u>3,504</u>	<u>(84.0)</u>	<u>709</u>	<u>4,982</u>	<u>(85.8)</u>
Gain on disposal of property, plant and equipment	10	-	NM	15	-	NM
Amortisation of intangible assets	(151)	(172)	(12.2)	(321)	(307)	4.6
Depreciation of property, plant and equipment	(290)	(319)	(9.1)	(592)	(634)	(6.6)
Depreciation of right-of-use assets	(420)	(301)	39.6	(787)	(583)	34.9
Foreign currency differences						
- exchange gain arising from revaluation	(143)	95	NM	166	223	(25.6)
	<u>(994)</u>	<u>(697)</u>	<u>42.6</u>	<u>(1,519)</u>	<u>(1,301)</u>	<u>16.7</u>
(Provision for)/Reversal of unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	964	422	128.4	753	2,067	(63.6)
- reinsurers' share of change in provision for unexpired risks	(996)	(702)	41.9	(996)	(702)	41.9
	<u>(32)</u>	<u>(280)</u>	<u>(88.6)</u>	<u>(243)</u>	<u>1,365</u>	<u>NM</u>
Claims incurred, net of reinsurers' share						
- net of change in provision for insurance Claims	674	(1,652)	NM	2,202	(883)	NM
- net Claims paid	(6,191)	(2,285)	170.9	(9,051)	(5,521)	63.9
	<u>(5,517)</u>	<u>(3,937)</u>	<u>40.1</u>	<u>(6,849)</u>	<u>(6,404)</u>	<u>6.9</u>
(Allowance for)/reversal of loan losses and impairment of investments						
- stage 1 provision	24	162	(85.2)	242	108	124.1
- stage 2 provision	168	(35)	NM	(24)	(46)	(47.8)
- stage 3 provision	(1,635)	(394)	NM	(1,760)	1,570	NM
- insurance and other receivables	(200)	(98)	104.1	(470)	(197)	138.6
- debts written off	(18)	(9)	100.0	(28)	(9)	NM
- investments at amortisation cost	(211)	17	NM	(305)	(1,034)	(70.5)
	<u>(1,872)</u>	<u>(357)</u>	<u>NM</u>	<u>(2,345)</u>	<u>392</u>	<u>NM</u>
Tax expenses						
- current	(437)	(2,264)	(80.7)	(1,559)	(3,439)	(54.7)
- deferred	(42)	219	NM	(31)	(680)	(95.4)
- over/(under) provision of prior years' tax	1,493	(119)	NM	1,414	(119)	NM
	<u>1,014</u>	<u>(2,164)</u>	<u>NM</u>	<u>(176)</u>	<u>(4,238)</u>	<u>(95.8)</u>

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.

	Group		Company	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
Non-current assets				
Property, plant and equipment	1,929	2,165	247	213
Intangible assets	769	990	637	773
Investment properties	2,730	2,981	-	-
Subsidiaries	-	-	86,663	86,163
Other investments	18,819	25,096	54	14
Loans, advances, hire purchase and leasing receivables	82,332	83,092	75,837	69,368
Deferred tax assets	3,692	3,856	-	-
Right-of-use assets	2,525	2,839	1,834	2,020
	112,796	121,019	165,272	158,551
Current assets				
Reinsurers' share of insurance contract provisions	4,988	4,533	-	-
Insurance receivables	1,497	1,561	-	-
Loans, advances, hire purchase and leasing receivables	169,160	158,691	105,723	99,385
Trade and other receivables	128,420	163,052	57,537	72,835
Property held for sales	292	-	-	-
Other investments	12,554	18,737	444	312
Cash and cash equivalents	51,720	37,191	24,897	9,065
	368,631	383,765	188,601	181,597
Total assets	481,427	504,784	353,873	340,148
Equity				
Share capital	137,302	137,302	137,302	137,302
Other reserves	2,505	3,654	-	-
Accumulated profits	35,943	38,052	43,190	41,681
Equity attributable to owners of the Company	175,750	179,008	180,492	178,983
Non-controlling interests	17,886	17,945	-	-
Total equity	193,636	196,953	180,492	178,983
Non-current liabilities				
Interest-bearing borrowings	13,538	5,323	3,745	-
Employee benefits	1,504	1,429	-	-
Deferred tax liabilities	142	246	123	147
Lease liabilities	1,837	2,253	1,858	1,500
	17,021	9,251	5,726	1,647
Current liabilities				
Trade and other payables	14,203	15,036	8,805	8,453
Insurance payables	1,634	1,792	-	-
Interest-bearing borrowings	233,350	256,975	158,834	149,288
Insurance contract provisions for - gross unexpired risks	5,986	6,738	-	-
- gross unexpired claims	14,108	14,859	-	-
Lease liability	766	596	-	507
Current tax payable	723	2,584	16	1,271
	270,770	298,580	167,655	159,519
Total liabilities	287,791	307,831	173,381	161,166
Total equity and liabilities	481,427	504,784	353,873	340,149

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

	Unsecured	
	As at 31- Dec-20	As at 31-Dec-19
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	233,350	256,975
Amount repayable after one year	13,538	5,323
	246,888	262,298

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.

	6 months ended		12 months ended	
	31 December		31 December	
	2H FY2020	2H FY2019	12M FY2020	12M FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/profit for the period	(1,491)	5,257	2,361	12,105
Adjustments for:				
Amortisation of intangible assets and debt securities at amortised cost	162	200	335	364
Net foreign exchange (gain)/loss	(1,458)	1,213	(1,386)	3,206
Depreciation of property, plant and equipment	290	319	592	634
Depreciation of right-of-use assets	420	301	787	583
Loss on disposal of debt securities	18	9	66	9
Gain on disposal of property, plant and equipment	(10)	-	(15)	-
Net change in fair value of financial assets at fair value through profit or loss	(102)	(2,611)	528	(3,374)
Recognition of allowance for impairment of investments at amortised cost	211	(17)	305	1,034
(Reversal of)/provision for, net of reinsurers' share				
- unexpired risks	32	280	243	(1,365)
- insurance claims	(674)	1,652	(2,202)	883
Interest income	(12,601)	(16,709)	(26,980)	(33,033)
Interest income from investments and fixed deposits	(472)	(580)	(909)	(1,155)
Dividend income from investments	(112)	(412)	(376)	(678)
Interest expense on borrowings	2,454	3,692	5,984	7,745
Interest expense on lease liabilities	68	61	140	121
Fixed assets writted off	-	2	-	2
Tax expense	(1,012)	2,164	177	4,238
Operating cash flows before changes in working capital	(14,277)	(5,179)	(20,350)	(8,681)
Changes in working capital				
Factoring receivables	(7,917)	7,515	44,483	4,962
Factoring amounts due to clients	(1,420)	(1,886)	(9,754)	(2,077)
Loans, advances, hire purchase and lease receivables	(5,397)	(32,716)	(9,910)	(26,560)
Insurance and other receivables	1,336	(75)	114	(1,040)
Trade, other and insurance payables	1,492	1,510	(848)	1,694
Cash (used in)/generated from operations	(26,183)	(30,831)	3,735	(31,702)
Interest received	13,069	17,277	27,943	34,170
Interest paid	(2,767)	(3,465)	(6,036)	(7,555)
Taxes paid, net	(881)	(1,027)	(1,987)	(1,944)
Net cash (used in)/generated from operating activities	(16,762)	(18,046)	23,655	(7,031)

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)

	6 months ended		12 months ended	
	31 December		31 December	
	2H FY2020	2H FY2019	12M FY2020	12M FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	10	-	15	-
Purchase of property, plant and equipment	(101)	(115)	(181)	(133)
Purchase of intangible assets	33	(48)	(103)	(211)
Purchase of investments	(4,088)	(9,499)	(7,276)	(14,664)
Proceeds from disposal of investments	6,563	19,290	18,860	29,920
Dividend received from investments	112	411	376	677
Net cash generated from investing activities	2,529	10,039	11,691	15,589
Cash flows from financing activities				
Dividends paid				
- by the Company	-	-	(2,932)	(2,067)
- by a subsidiary company to non-controlling interests	-	-	(1,348)	(956)
Proceeds from/(repayment of) interest-bearing borrowings	6,919	8,262	(15,410)	(17,044)
Repayment of lease liabilities	(442)	(315)	(837)	(605)
Net cash generated from/(used in) financing activities	6,477	7,947	(20,527)	(20,672)
Net (decrease)/increase in cash and cash equivalents	(7,756)	(60)	14,819	(12,114)
Cash and cash equivalents at beginning of period	59,859	37,051	37,191	48,724
Effect of exchange rate fluctuations on cash held	(383)	200	(290)	581
Cash and cash equivalents at end of period	51,720	37,191	51,720	37,191
Analysis of cash and cash equivalents				
Fixed deposits	10,092	9,675	10,092	9,675
Cash at banks and on hand	41,628	27,516	41,628	27,516
Cash and cash equivalents at end of period	51,720	37,191	51,720	37,191

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.

<u>Group</u>	Attributable to owners of the Company				Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000			
2019							
At 31 December 2018	137,302	108	1,076	30,720	169,206	15,354	184,560
Total comprehensive income for the period							
Profit for the period	-	-	-	9,388	9,388	2,717	12,105
<i>Other comprehensive income</i>							
Foreign currency translation differences	-	-	2,470	-	2,470	830	3,300
Net change in fair value of available-for-sale financial assets	-	-	-	13	13	-	13
Tax on other comprehensive income	-	-	-	(2)	(2)	-	(2)
<i>Total other comprehensive income</i>	-	-	2,470	11	2,481	830	3,311
Total comprehensive income for the period	-	-	2,470	9,399	11,869	3,547	15,416
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid to owners of the Company	-	-	-	(2,067)	(2,067)	-	(2,067)
Total contributions by and distributions to owners	-	-	-	(2,067)	(2,067)	-	(2,067)
Changes in ownership interests in subsidiaries							
Dividends paid by a susidiary company to non-controlling interests	-	-	-	-	-	(956)	(956)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(956)	(956)
Total transactions with owners	-	-	-	(2,067)	(2,067)	(956)	(3,023)
At 31 December 2019	137,302	108	3,546	38,052	179,008	17,945	196,953

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)

	Attributable to owners of the Company				Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000			
Group							
2020							
At 31 December 2019	137,302	108	3,546	38,052	179,008	17,945	196,953
Total comprehensive income for the period							
Profit for the period	-	-	-	795	795	1,566	2,361
<i>Other comprehensive income</i>							
Foreign currency translation differences	-	-	(1,149)	-	(1,149)	(285)	(1,434)
Defined benefit plan remeasurements	-	-	-	25	25	11	36
Tax on other comprehensive income	-	-	-	3	3	(3)	-
<i>Total other comprehensive income</i>	-	-	(1,149)	28	(1,121)	(277)	(1,398)
Total comprehensive income for the period	-	-	(1,149)	823	(326)	1,289	963
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid to owners of the Company	-	-	-	(2,932)	(2,932)	-	(2,932)
Total contributions by and distributions to owners	-	-	-	(2,932)	(2,932)	-	(2,932)
Changes in ownership interests in subsidiaries							
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	(1,348)	(1,348)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(1,348)	(1,348)
Total transactions with owners	-	-	-	(2,932)	(2,932)	(1,348)	(4,280)
At 31 December 2020	137,302	108	2,397	35,943	175,750	17,886	193,636

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
2020				
At 31 December 2019	137,302	-	41,681	178,983
Total comprehensive income for the period				
Profit for the period	-	-	4,441	4,441
Total comprehensive income for the period	-	-	4,441	4,441
Transactions with owners, recognised directly in equity				
<i>Contributions by and distributions to owners</i>				
Dividends paid to owners of the Company	-	-	(2,932)	(2,932)
Total contributions by and distributions to owners	-	-	(2,932)	(2,932)
At 31 December 2020	137,302	-	43,190	180,492
2019				
At 31 December 2018	137,302	-	36,923	174,225
Total comprehensive income for the period				
Profit for the period	-	-	6,825	6,825
Total comprehensive income for the period	-	-	6,825	6,825
Transactions with owners, recognised directly in equity				
<i>Contributions by and distributions to owners</i>				
Dividends paid to owners of the Company	-	-	(2,067)	(2,067)
Total contributions by and distributions to owners	-	-	(2,067)	(2,067)
At 31 December 2019	137,302	-	41,681	178,983

- 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.

	Number of Ordinary Shares (excluding Treasury Shares)	
	As at	As at
	31 Dec 2020	31 Dec 2019
Balance at beginning and end of the period	375,969,665	375,969,665

There were no outstanding convertibles as at 31 December 2020 and 31 December 2019.

- 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 31 December 2020 and 31 December 2019, 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 31 December 2020 and 31 December 2019.

- 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 modification or emphasis of a matter).

Not applicable.

- 3 (a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019 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 2020. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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.

Not applicable.

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).

	6 months ended 31 December		12 months ended 31 December	
	2H FY2020	2H FY2019	12M FY2020	12M FY2019
Earnings Per Ordinary Share				
- on weighted-average number of ordinary shares in issue	0.11 cents	1.95 cents	0.21 cents	2.50 cents
- on fully diluted basis	0.11 cents	1.95 cents	0.21 cents	2.50 cents
Net profit attributable to shareholders:	\$407,000	\$7,327,000	\$795,000	\$9,388,000
Number of shares in issue				
- 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.

	Group		Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net Asset Value (NAV) per ordinary share	46.7 cents	47.6 cents	48.0 cents	47.6 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

The coronavirus pandemic since early 2020 has brought about disruption to our business and affected our business volume. In countries where we have operations, various forms of lockdown measures affected our clients' business activities across almost every industry.

Despite the pandemic, the Group is profitable and our financial fundamentals are healthy.

The year on year decline in profit before tax of about \$14 million is largely contributed by:

1. From FY2020, the Group applied a conservative method of auto non-recognition of interest income for accounts that are 90 days past due (Non Performing Loans), notwithstanding that they are largely property-secured loans; and
2. The larger losses from our insurance business.

Net interest income

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

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2020	2H FY2019	+ / (-)	12M FY2020	12M FY2019	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Factoring	5,133	7,408	(30.7)	11,493	14,544	(21.0)
Loans, advances, hire purchase and leasing	7,468	9,301	(19.7)	15,487	18,489	(16.2)
Interest income	12,601	16,709	(24.6)	26,980	33,033	(18.3)
Interest expense	(2,454)	(3,692)	(33.5)	(5,984)	(7,745)	(22.7)
Net interest income	10,147	13,017	(22.0)	20,996	25,288	(17.0)

Affected by the pandemic, interest income from Factoring for the 12 months ended 31 December 2020 ("FY2020") fell by about \$3 million. Interest income from our Asset-based lending was also lower by about \$3 million compared against the corresponding period ("FY2019").

Non-interest income

Details for non-interest income:

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2020	2H FY2019	+ /(-)	12M FY2020	12M FY2019	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net earned premium revenue	2,246	2,330	(3.6)	4,830	6,169	(21.7)
Fee and commission income	3,053	4,506	(32.2)	6,497	8,632	(24.7)
Investment income	561	3,504	(84.0)	709	4,982	(85.8)
Other income	171	709	(100)	461	1,513	(69.5)
Non-interest income	6,031	11,049	(45.4)	12,497	21,296	(41.3)

Due to the lower factoring volume achieved in FY2020, fee income reduced by \$2.1 million (25%).

Investment income earned during FY2020 was significantly lower due to absence of the one-off fair value gain of unquoted equity securities of \$2.9 million in FY2019.

Operating expenses

Total operating expenses for FY2020 was reduced by 4% largely due to lower staff costs.

Net claims incurred

Due to the impact of the COVID-19 pandemic on the construction industry, our insurance business suffered bond calls arising from performance bonds issued on behalf of clients in the construction industry. A total of \$5.5 million was paid in FY2020.

Excluding these legacy bond calls, the Group incurred lower claims expenses in FY2020; outcome of our tightening in underwriting and restructuring of our insurance business portfolio since mid-2019.

Allowances and Impairments – (reversal)/recognition

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2020	2H FY2019	+ /(-)	12M FY2020	12M FY2019	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Stage 1	(24)	(162)	(85.2)	(242)	(108)	124.1
Stage 2	(168)	35	NM	24	46	(47.8)
Stage 3	1,635	394	NM	1,760	(1,570)	NM
Others	429	90	NM	803	1,240	(35.2)
Allowances and Impairments	1,872	357	NM	2,345	(392)	NM

The increase in Stage 3 provision (for accounts more than 90 past due) was largely due to our Thailand subsidiary's factoring clients whose business activities were impacted by the pandemic.

Likewise the reversal of provision for impairment in FY2019 was also pertaining to our subsidiary in Thailand when they managed to make a recovery of \$2.3 million.

Provision – Others are mainly provision for impairment on investments held and legal expenses incurred for recovery from NPL accounts.

Profit before tax

Consequent to the claims incurred of \$5.5 million for the legacy performance bonds issued, the Group made a loss of \$1.5 million in 2H FY2020.

However, as a result of the profits generated by the lending business, the Group managed to remain profitable despite the challenging environment in FY2020.

Review of Financial Position as at 31 December 2020

The Group's investment portfolio reduced by \$12.5 million as a consequence of the volatile equity market and the redemption of several bonds upon maturity.

Gross lending assets including factoring receivables outstanding were \$432 million, a reduction of 8% when compared against the base of \$470 million as at 31 December 2019, mainly due to lower factoring receivables outstanding as at end of 31 December 2020.

During the year under review, the Group repaid and reduced its bank borrowings by \$15.4 million and thus managed to achieve a current ratio of 1.36 times at end of December 2020 (31 December 2019: 1.29 times).

Cash flows from operating activities

The Group recorded net cash outflows of \$16.8 million for 2H FY2020 as a result of higher fund in use for factoring client.

However for the full year, the Group recorded net cash inflows of \$23.7 million against the corresponding period mainly due to lower factoring funding.

Cash flows from investing activities

The net cash generated from investing activities for 2H FY2020 and FY2020 was mainly due to proceeds received from disposal of investments.

Details of purchase of investments and proceeds from redemption/disposal of investments for 2H FY2020 and FY2020 were as follows:

	Purchase of investments		Proceeds from redemption / disposal of investments	
	2H FY2020 S\$'000	12M FY2020 S\$'000	2H FY2020 S\$'000	12M FY2020 S\$'000
<u>ECICS Limited</u> *				
- Quoted equity securities	1,072	1,480	1,210	4,424
- Quoted debt securities	3,016	5,797	2,170	7,926
<u>IJS Group</u> (excluding ECICS Limited)	-	-	3,183	6,510
Total	4,088	7,277	6,563	18,860

* 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 first half year's results announcement released on 12 August 2020.

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 trajectory of global economic recovery from the COVID19 pandemic remains uncertain, and very much dependent on vaccine effectiveness and the speed of its deployment. Against this backdrop, the economy is projected to see a gradual recovery, supported by a pickup in global demand and normalization in domestic economic activities. However, the outlook is expected to be uneven across sectors, coupled with the tapering of Government support measures, the business environment will remain challenging. The Group is cautiously optimistic on the prospects of FY2021 but is mindful of the considerable uncertainties in the business environment.

Meanwhile, the Group will remain vigilant to maintain the quality of our lending portfolio, where bulk of our loans is expected to be property-secured and receivable-based financing. We have also been making progress on our ECICS business to actively de-risk our Bonds portfolio, and pivoting to focus on growing our General Insurance business.

We remain committed to supporting our staff, clients, and partners through this period.

11 Dividend

(a) Current Financial Period

Name of Dividend	First and Final
Dividend Type	Cash (Ordinary)
Dividend Rate	0.2 Singapore cents per share
Tax Rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	First and Final
Dividend Type	Cash (Ordinary)
Dividend Rate	0.78 Singapore cents per share
Tax Rate	One-tier tax exempt

(c) Date Payable

12 May 2021, subject to the approval of the Shareholders for the proposed first and final dividend at the Annual General Meeting.

(d) Books closure date

Subject to the approval of the Shareholders for the proposed first and final dividend at the Annual General Meeting, the Share Transfer Books and the Register of Members of the Company will be closed on 4 May 2021, for the purpose of determining shareholders' entitlements to the proposed first and final one-tier tax exempt ordinary cash dividend for the year ended 31 December 2020.

Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 up to the close of business at 5.00 p.m. on 3 May 2021 will be registered before entitlements to the proposed first and final dividend are determined. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 3 May 2021 will be entitled to the proposed first and final dividend.

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

Not applicable.

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.

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business segments

	Credit Financing S\$'000	Insurance S\$'000	Private equity and other investments S\$'000	Total S\$'000
2020				
Operating results				
Total operating income	33,293	5,352	371	39,016
Reportable segment profit/(loss) before tax	8,555	(6,388)	370	2,537
Net interest income	20,996	-	-	20,996
Net earned premium revenue	-	4,830	-	4,830
Non-interest income	6,773	524	370	7,667
Other material non-cash items:				
- Provisions for loan losses and impairment of other assets	(1,872)	(473)	-	(2,345)
- Depreciation and amortisation	(1,632)	(68)	-	(1,700)
Assets and liabilities				
Reportable segment assets	432,182	41,558	7,686	481,426
Capital expenditure	252	31	-	283
Reportable segment liabilities	263,517	22,986	1,289	287,792
2019				
Operating results				
Total operating income	41,266	8,144	3,406	52,816
Reportable segment profit/(loss) before tax	17,574	(4,371)	3,140	16,343
Net interest income	25,288	-	-	25,288
Net earned premium revenue	-	6,169	-	6,169
Non-interest income	9,819	2,169	3,140	15,128
Other material non-cash items:				
- Provisions for loan losses and impairment of other assets	1,418	(1,026)	-	392
- Depreciation and amortisation	(1,415)	(109)	-	(1,524)
Assets and liabilities				
Reportable segment assets	441,155	49,460	10,352	500,967
Capital expenditure	981	4	-	985
Reportable segment liabilities	280,364	24,221	599	305,184

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.** (Continued)

Geographical segments

	Operating income S\$'000	Non-current assets S\$'000	Total assets S\$'000
2020			
Singapore	19,855	2,845	300,448
Thailand	15,923	4,219	150,657
Malaysia	1,995	626	12,615
Indonesia	1,331	264	17,707
	<u>39,104</u>	<u>7,954</u>	<u>481,427</u>
2019			
Singapore	27,329	3,166	285,949
Thailand	20,283	4,753	182,394
Malaysia	3,077	740	15,212
Indonesia	2,982	308	21,160
Others	-	-	69
	<u>53,671</u>	<u>8,968</u>	<u>504,784</u>

- 16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Item 8.

- 17 **A breakdown of sales as follows:-**

	FY2020 S\$'000	FY2019 S\$'000	+/(-) %
Sales reported for first half year	20,555	25,767	(20.2)
Operating profit after tax before deducting non-controlling interests reported for first half year	3,852	6,848	(43.8)
Sales report for second half year	18,461	27,049	(31.7)
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	<u>(1,491)</u>	<u>5,257</u>	NM

- 18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	FY2020 S\$'000	FY2019 S\$'000	+/(-) %
Ordinary			
First and Final	752	2,933	(74)
Proposed First and Final	-	-	
Total	<u>752</u>	<u>2,933</u>	(74)

- 19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Wah Tong	64	Brother of Mr. Lim Hua Min, a director and deemed substantial shareholder of the Company.	Non-Executive Director of ECICS Limited (a wholly-owned subsidiary of the Company) since 2003.	Nil

By Order of the Board

Chionh Yi Chian/ Angeline Ng
Company Secretary/ Assistant Company Secretary
 26 February 2021



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 fourth quarter ended 31 December 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min
Chairman

Randy Sim Cheng Leong
Group Chief Executive Officer/Director

Ang Iris
Group Chief Financial Officer

Singapore
26 February 2021