

**IFS Capital Limited
and its subsidiaries
Registration Number: 198700827C**

**Condensed Interim Financial statements
For the six months ended 30 June 2024**

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	6 months ended 30 June		+ / (-) %
		1H FY2024 S\$'000	1H FY2023 S\$'000	
Interest income		17,103	13,294	28.7
Interest expense		(4,816)	(3,349)	43.8
Net interest income		12,287	9,945	23.5
Insurance revenue		5,923	4,437	33.5
Insurance service expenses		(12,023)	(5,139)	134.0
Insurance service results before reinsurance contracts held		(6,100)	(702)	NM
Amount recoverable from reinsurers from incurred claims		5,284	472	NM
Reinsurance acquisition income		1,084	522	107.7
Allocation of reinsurance premiums		(2,820)	(1,766)	59.7
Net income/(expense) from reinsurance contracts held		3,548	(772)	NM
Insurance Service Results (i)		(2,552)	(1,474)	73.1
Fee and commission income		3,267	3,168	3.1
Net investment income		693	1,079	(35.8)
Other income		345	1,021	(66.2)
Sub-total (ii)		4,305	5,268	(18.3)
Non-interest income (i) + (ii)		1,753	3,794	(53.8)
Grant income		35	11	NM
Income before operating expenses		14,075	13,750	2.4
Business development expenses		(494)	(307)	60.9
Staff costs		(7,007)	(6,433)	8.9
General and administrative expenses		(3,157)	(3,068)	2.9
Operating expenses		(10,658)	(9,808)	8.7
Operating profit before allowances		3,417	3,942	(13.3)
Recognition of allowances for loan losses and impairment of other assets		(590)	(936)	(37.0)
Profit before tax	6	2,827	3,006	(6.0)
Tax expense	7	(1,133)	(1,084)	4.5
Profit for the period		1,694	1,922	(11.9)
Profit attributable to:				
Owners of the Company		906	1,059	(14.4)
Non-controlling interests		788	863	(8.7)
		1,694	1,922	(11.9)
Earnings per share				
Basic earnings per share (cents)		0.24	0.28	(14.4)
Diluted earnings per share (cents)		0.24	0.28	(14.4)

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

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (continued)

Note	6 months ended 30 June		+ / (-) %
	1H FY2024 S\$'000	1H FY2023 S\$'000	
	1,694	1,922	(11.9)
Profit for the period			
Other comprehensive income			
Items that will not be reclassified to profit or loss			
	–	(48)	NM
	–	11	NM
Items that are or may be reclassified subsequently to profit or loss			
(i)	(3,266)	(923)	NM
Other comprehensive income for the period, net of tax			
	(3,266)	(960)	NM
Total comprehensive income for the period			
	(1,572)	962	NM
Total comprehensive income attributable to:			
	(1,599)	416	NM
	27	546	(95.1)
	(1,572)	962	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 (“THB”), Malaysian Ringgit (“MYR”) and Indonesian Rupiah (“IDR”).

The translation loss from foreign currency differences of foreign operations in 1H FY2024 was mainly due to the weakening of THB and MYR against Singapore dollars (“SGD”) in 1H FY2024.

Exchange rates for the respective reporting period were as follows:

	30/6/2024	31/12/2023	30/6/2023	31/12/2022
THB against SGD	27.420	26.266	26.528	26.017
MYR against SGD	3.4704	3.4837	3.4536	3.2841
IDR against SGD	12,096	11,711	11,102	11,659

B. Condensed interim statements of financial position

Note	Group		Company	
	30.06.2024 S\$'000	31.12.2023 S\$'000	30.06.2024 S\$'000	31.12.2023 S\$'000
Equity				
15	137,302	137,302	137,302	137,302
	(8,645)	(6,140)	–	–
	44,165	45,139	41,545	43,334
Equity attributable to owners of the Company				
	172,822	176,301	178,847	180,636
	23,070	23,811	–	–
Total equity				
	195,892	200,112	178,847	180,636
Liabilities				
	4,569	7,751	2,542	4,286
14	233,432	263,335	166,815	189,729
	20,991	14,567	–	–
	2,817	3,076	2,447	2,700
	1,406	1,060	1	–
	1,449	1,427	–	–
Total liabilities				
	264,664	291,216	171,805	196,715
Total equity and liabilities				
	460,556	491,328	350,652	377,351
Assets				
	46,424	43,292	10,440	13,688
10	24,303	24,562	19,000	19,000
	82	85	–	–
	243,600	274,042	145,460	136,350
	9,205	9,386	–	–
	117,005	126,213	9,687	9,116
	2,499	1,781	67,406	100,198
	8,291	2,854	–	–
12	923	1,059	123	159
11	173	198	85	110
13	1,693	1,856	–	–
	–	–	96,133	96,133
	447	–	–	–
	3,235	3,025	–	–
	2,676	2,975	2,318	2,597
Total assets				
	460,556	491,328	350,652	377,351

C. Condensed interim statements of changes in equity

Group	Note	Share capital S\$'000	Attributable to owners of the Company Capital reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 January 2024		137,302	108	(6,248)	45,139	176,301	23,811	200,112
Total comprehensive income for the period								
Profit for the period		–	–	–	906	906	788	1,694
<i>Other comprehensive income</i>								
Foreign currency translation differences		–	–	(2,505)	–	(2,505)	(761)	(3,266)
Defined benefit plan remeasurements		–	–	–	–	–	–	–
Tax on other comprehensive income		–	–	–	–	–	–	–
Total other comprehensive income		–	–	(2,505)	–	(2,505)	(761)	(3,266)
Total comprehensive income for the period		–	–	(2,505)	906	(1,599)	27	(1,572)
Transactions with owners, recognised directly in equity								
<i>Contributions by and distributions to owners</i>								
Dividends paid to owners of the Company	8	–	–	–	(1,880)	(1,880)	–	(1,880)
Total contributions by and distributions to owners		–	–	–	(1,880)	(1,880)	–	(1,880)
<i>Changes in ownership interests in subsidiaries</i>								
Non-controlling interest arising from investment in subsidiary		–	–	–	–	–	50	50
Dividends paid by a subsidiary company to non-controlling interests		–	–	–	–	–	(818)	(818)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	(768)	(768)
Total transactions with owners		–	–	–	(1,880)	(1,880)	(768)	(2,648)
At 30 June 2024		137,302	108	(8,753)	44,165	172,822	23,070	195,892

C. Condensed interim statements of changes in equity (continued)

Group	Note	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			
At 1 January 2023		137,302	108	(5,369)	43,394	175,435	23,143	198,578
Total comprehensive income for the period								
Profit for the period		–	–	–	1,059	1,059	863	1,922
<i>Other comprehensive income</i>								
Foreign currency translation differences		–	–	(618)	–	(618)	(305)	(923)
Defined benefit plan remeasurements		–	–	–	(34)	(34)	(14)	(48)
Tax on other comprehensive income		–	–	–	9	9	2	11
Total other comprehensive income		–	–	(618)	(25)	(643)	(317)	(960)
Total comprehensive income for the period		–	–	(618)	1,034	416	546	962
Transactions with owners, recognised directly in equity								
<i>Contributions by and distributions to owners</i>								
Dividends paid to owners of the Company	8	–	–	–	(1,692)	(1,692)	–	(1,692)
Total contributions by and distributions to owners		–	–	–	(1,692)	(1,692)	–	(1,692)
<i>Changes in ownership interests in subsidiaries</i>								
Non-controlling interest arising from investment in subsidiary		–	–	–	–	–	150	150
Dividends paid by a subsidiary company to non-controlling interests		–	–	–	–	–	(1,131)	(1,131)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	(981)	(981)
Total transactions with owners		–	–	–	(1,692)	(1,692)	(981)	(2,673)
At 30 June 2023		137,302	108	(5,987)	42,736	174,159	22,708	196,867

C. Condensed interim statements of changes in equity (continued)

Company	Note	Share capital	Accumulated profits	Total equity
		S\$'000	S\$'000	S\$'000
At 1 January 2024		137,302	43,334	180,636
Total comprehensive income for the period				
Profit for the period		–	91	91
Total comprehensive income for the period		–	91	91
Transactions with owners, recognised directly in equity				
<i>Contributions by and distributions to owners</i>				
Dividends paid to owners of the Company	8	–	(1,880)	(1,880)
Total contributions by and distributions to owners		–	(1,880)	(1,880)
At 30 June 2024		<u>137,302</u>	<u>41,545</u>	<u>178,847</u>
At 1 January 2023		137,302	45,907	183,209
Total comprehensive income for the period				
Profit for the period		–	278	278
Total comprehensive income for the period		–	278	278
Transactions with owners, recognised directly in equity				
<i>Contributions by and distributions to owners</i>				
Dividends paid to owners of the Company	8	–	(1,692)	(1,692)
Total contributions by and distributions to owners		–	(1,692)	(1,692)
At 30 June 2023		<u>137,302</u>	<u>44,493</u>	<u>181,795</u>

D. Condensed interim consolidated statement of cash flows

	6 months ended 30 June	
	1H FY2024	1H FY2023
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	2,827	3,006
Adjustments for:		
Amortisation of intangible assets and debt securities at amortised cost	6 70	101
Depreciation of property, plant and equipment	6 127	168
Depreciation of investment properties	6 85	89
Depreciation of right-of-use assets	6 382	408
Fixed assets written off	6 22	–
Gain on disposal of equity and debt securities	6 (53)	(19)
Net change in fair value of financial assets at fair value through profit or loss	6 125	69
Recognition of allowance for impairment of investments at amortised cost	6 (35)	16
Recognition of allowance for loan losses and impairment of other assets	489	726
Interest income	(17,103)	(13,294)
Interest income from investments and fixed deposits	(531)	(531)
Dividend income from investments	(139)	(586)
Interest expense on borrowings	4,816	3,349
Interest expense on lease liabilities	74	98
Operating cash flows before changes in working capital	(8,844)	(6,400)
Changes in working capital:		
Accounts receivable purchase	5,234	3,827
Accounts receivable purchase due to clients	732	977
Loans and advances	28,634	(67,884)
Hire purchase and leasing receivables	1,860	(1,933)
Insurance and other receivables	(6,251)	(1,414)
Trade, other and insurance payables	3,194	(402)
Cash generated from/(used in) operations	24,559	(73,229)
Interest received	17,634	13,825
Interest paid	(4,816)	(3,349)
Taxes paid, net	(895)	(997)
Net cash generated from/(used in) operating activities	36,482	(63,750)
Cash flows from investing activities		
Purchase of property, plant and equipment	(38)	(74)
Purchase of intangible assets	(76)	(26)
Formation of joint venture	(447)	–
Acquisition of investments	(14,244)	(7,639)
Proceeds from disposal of investments	14,615	8,649
Dividends received from investments	139	641
Net cash (used in)/generated from investing activities	(51)	1,551
Cash flows from financing activities		
Dividends paid		
- by the company	(1,880)	(1,692)
- by a subsidiary company to non-controlling interests	(818)	(1,131)
Repayment of interest-bearing borrowings	(158,806)	(11,249)
Proceeds from drawdown of interest-bearing borrowings	131,976	71,486
Proceeds from non-controlling interest's investments to subsidiary	50	150
Repayment of lease liabilities	(417)	(448)
Net cash (used in)/generated from financing activities	(29,895)	57,116

D. Condensed interim consolidated statement of cash flows (continued)

	6 months ended 30 June	
	1H FY2024	1H FY2023
	S\$'000	S\$'000
Net changes in cash and cash equivalents	6,536	(5,084)
Cash and cash equivalents at beginning of period	43,292	53,780
Effect of exchange rate fluctuations on cash held	(3,404)	(1,340)
Cash and cash equivalents at end of period	46,424	47,356
Analysis of cash and cash equivalents		
Fixed deposits	4,430	9,475
Cash at banks and on hand	41,994	37,881
Cash and cash equivalents at end of period	46,424	47,356

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

IFS Capital Limited (the “Company”) is a company incorporated in Singapore and has its registered office at 10 Eunos Road 8, #09-04 Singapore Post Centre, Singapore 408600.

The condensed interim consolidated financial statements as at 30 June 2024 and for six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The immediate and ultimate holding company is Phillip Assets Pte. Ltd., a company incorporated in Singapore.

The principal activities of the Company are those relating to the provision of commercial, alternative and structured finance businesses such as accounts receivable purchase (“ARP”), working capital, asset base financing and the provision of alternative and structured financial solutions offered to clients to address either equity or debt capital requirements.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with (“Singapore Financial Reporting Standards (International)”) SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand unless otherwise stated.

2.1 Changes in Accounting Policies

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2024:

SFRS(I)	Title
SFRS(I) 1 (Amendments)	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
SFRS(I) 16 (Amendments)	Lease liability in a Sale and Leaseback
SFRS(I) 1 (Amendments)	Presentation of Financial Statements: Non-current Liabilities with Covenants
SFRS(I) 1-7 (Amendments)	Statements of Cash Flows and SFRS(I) 7 Financial Instruments. Disclosures: Supplier Finance Arrangements

The accounting policies applied by the Group in the unaudited condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2023, except for the new/revised financial reporting standards and interpretations as set out above. The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group’s condensed interim financial statements.

2.2 Use of judgements and estimates

The preparation of the condensed interim financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Finance Department led by the Group Chief Finance Officer has overall responsibility for all significant fair value measurements, including Level 3 fair values, where applicable. Review significant unobservable inputs and valuation adjustments quarterly.

Significant valuation issues are reported to the Group Audit Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has four reportable segments which relate to the Group's strategic business units. The strategic business units offer different products and services and are managed separately. The reportable segment presentation is prepared based on the Group's management and internal reporting structure. As some of the activities of the Group are integrated, internal cost allocation has been made in preparing the segment information such as the Group's centralised support costs and funding costs. Inter-segment pricing where appropriate, is determined on an arm's length basis. The Group's CEO and CFO review the internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments.

Credit financing: Credit financing encompasses commercial finance businesses and focuses on providing services to corporate clients, mainly the small and medium-sized enterprises. The commercial services provided include account receivable financing, trade financing, asset-based loans, working capital, leasing, hire purchase as well as participation in the Enterprise Financing Scheme administered by Enterprise Singapore. Credit financing also includes consumer loan services.

Insurance: The issuance of performance bonds and guarantees, domestic maid insurance, property and casualty insurance, motor insurance, and engineering insurance. The segment includes the holding of equity securities and bonds under the regulated insurance fund.

Private equity and other investments: The provision of development capital in the form of convertible debt instruments.

Fund Management: The provision of fund management service.

Total operating income comprises net interest income, insurance service result, fee and commission income, and investment income. Performance is measured based on segment profit before tax.

	Credit financing	Insurance	Private equity and other investments	Fund management	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
30 June 2024					
Operating results					
Total operating income	15,570	(2,097)	237	–	13,710
Reportable segment profit/(loss) before tax	4,883	(1,995)	237	(298)	2,827
Net interest income	12,287	–	–	–	12,287
Insurance service results	–	(2,552)	–	–	(2,552)
Non-interest income	3,492	576	237	–	4,305
Other material non-cash items:					
- Recognition/(Reversal) of allowances for loan losses and impairment of other assets	(578)	35	–	(47)	(590)
- Depreciation and amortisation	(677)	(12)	–	–	(689)
Assets and liabilities					
Reportable segment assets	415,350	36,384	3,227	499	455,460
Capital expenditure	105	10	–	–	115
Reportable segment liabilities	240,220	21,215	87	29	261,551

	Credit financing	Insurance	Private equity and other investments	Fund management	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
30 June 2023					
Operating results					
Total operating income	13,222	(1,052)	659	–	12,829
Reportable segment profit before tax	2,791	(196)	658	(247)	3,006
Net interest income	9,945	–	–	–	9,945
Insurance service results	–	(1,474)	–	–	(1,474)
Non-interest income	3,453	1,157	658	–	5,268
Other material non-cash items:					
- Provisions for loan losses and impairment of other assets	(920)	(16)	–	–	(936)
- Depreciation and amortisation	(756)	(19)	–	–	(775)
Assets and liabilities					
Reportable segment assets	417,085	31,381	649	752	449,867
Capital expenditure	90	10	–	–	100
Reportable segment liabilities	241,479	13,703	362	53	255,597

	30/6/2024 S\$'000	30/6/2023 S\$'000
Assets		
Total assets for reportable segments	455,460	449,867
Other unallocated amounts	5,096	3,685
Consolidated assets	460,556	453,552
Liabilities		
Total liabilities for reportable segments	261,551	255,597
Other unallocated amounts	3,113	1,088
Consolidated liabilities	264,664	256,685

In view of the Group's continuing efforts to develop its businesses across the region, resources are now allocated mainly to four principal geographical areas.

Geographical segments are analysed by four principal geographical areas. Singapore, Thailand, Malaysia and Indonesia are the major markets for credit financing and insurance activities. Others are also the markets for private equity and other investment activities.

In presenting information on the basis of geographical segments, segment operating income is based on the geographical location of the clients. Segment assets are based on the geographical location of the assets.

	Operating income S\$'000	Non-current assets S\$'000	Total assets S\$'000
30 June 2024			
Singapore	6,220	88,820	303,256
Thailand	6,726	7,361	136,522
Malaysia	538	1,915	8,442
Indonesia	226	5,591	12,336
	13,710	103,687	460,556
30 June 2023			
Singapore	4,826	59,285	292,760
Thailand	7,201	7,665	137,301
Malaysia	540	2,310	9,466
Indonesia	262	340	14,025
	12,829	69,600	453,552

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30/6/2024 S\$'000	31/12/2023 S\$'000	30/6/2024 S\$'000	31/12/2023 S\$'000
Financial assets				
Other investment	24,303	24,562	19,000	19,000
Loans and advances	243,600	274,042	145,460	136,350
Hire purchase and leasing receivables	9,205	9,386	–	–
Trade and other receivables (exclude prepayment)	118,604	127,367	76,691	109,026
Cash and cash equivalents	46,424	43,292	10,440	13,688
	442,136	478,649	251,591	278,064
Financial liabilities				
Trade and other payables	4,569	7,751	2,542	4,286
Interest-bearing borrowings	233,432	263,335	166,815	189,729
	238,001	271,086	169,357	194,015

6. Profit before taxation

	6 months ended 30 June		+ / (-) %
	1H FY2024 S\$'000	1H FY2023 S\$'000	
Investment income			
- Dividend, fee and interest income	647	1,117	(42.1)
- Gain on disposal of equity and debt securities	53	19	178.9
- Net change in fair value of financial assets at fair value through profit or loss	(125)	(69)	81.2
- Amortisation of debt securities at amortised cost	25	9	177.7
- Exchange gain	93	3	NM
	<u>693</u>	<u>1,079</u>	(35.8)
Amortisation of intangible assets	(95)	(110)	(13.6)
Depreciation of property, plant and equipment	(127)	(168)	(24.4)
Depreciation of investment properties	(85)	(89)	(4.5)
Depreciation of right-of-use assets	(382)	(408)	(6.4)
Fixed assets written off	(22)	-	NM
Foreign currency differences			
- Exchange gain arising from revaluation	23	(271)	NM
	<u>(688)</u>	<u>(1,046)</u>	(34.2)
Allowance for loan losses and impairment of investments			
- Stage 1 provision	(41)	263	NM
- Stage 2 provision	118	(750)	NM
- Stage 3 provision	(620)	(354)	75.1
- Insurance and other receivables	(82)	(49)	67.3
- Debts written off	-	(30)	NM
- Investments at amortisation costs	35	(16)	NM
	<u>(590)</u>	<u>(936)</u>	37.0

7. Taxation

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the condensed interim consolidated statement of profit or loss are:

	6 months ended 30 June		+ / (-) %
	1H FY2024 S\$'000	1H FY2023 S\$'000	
Tax expenses			
- Current	(1,398)	(924)	51.3
- Deferred	266	23	NM
- Under-provision of prior years' tax	(1)	(183)	NM
	<u>(1,133)</u>	<u>(1,084)</u>	4.5

8. Dividend

The following dividends were declared and paid by the Company:

	Group	
	30/6/2024 S\$'000	30/6/2023 S\$'000
<u>Dividends paid</u>		
A first and final one-tier tax-exempt dividend of 0.50 cents per ordinary share (2023: 0.45 cents per ordinary share) paid in respect of the previous financial period	1,880	1,692

No interim dividend has been declared for the period ended 30 June 2024.

9. Net asset value

	Group		Company	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
Net asset value (NAV) per ordinary share (cents)	46.0	46.9	47.6	48.0
NAV computed based on number of ordinary shares issued	375,969,665	375,969,665	375,969,665	375,969,665

10. Financial assets

	Carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
	Group				
30 June 2024					
Financial assets measured at fair value					
FVTPL financial assets					
- Equity securities	5,188	3,936	–	1,252	5,188
- Debt securities	4,124	4,124	–	–	4,124
	<u>9,312</u>	<u>8,060</u>	<u>–</u>	<u>1,252</u>	<u>9,312</u>
Financial assets not measured at fair value					
Debt securities at amortised cost	14,991	14,612	200	–	14,812
	<u>14,991</u>	<u>14,612</u>	<u>200</u>	<u>–</u>	<u>14,812</u>
31 December 2023					
Financial assets measured at fair value					
FVTPL financial assets					
- Equity securities	5,306	4,166	–	1,140	5,306
- Debt securities	3,580	3,580	–	–	3,580
- Convertible loans	1	–	–	1	1
	<u>8,887</u>	<u>7,746</u>	<u>–</u>	<u>1,141</u>	<u>8,887</u>
Financial assets not measured at fair value					
Debt securities at amortised cost	15,675	15,307	196	–	15,503
	<u>15,675</u>	<u>15,307</u>	<u>196</u>	<u>–</u>	<u>15,503</u>

	Carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Company					
30 June 2024					
Financial assets measured at fair value					
FVTPL financial assets					
- Private credit fund	19,000	-	-	19,000	19,000
	19,000	-	-	19,000	19,000
31 December 2023					
Financial assets measured at fair value					
FVTPL financial assets					
- Private credit fund	19,000	-	-	19,000	19,000
	19,000	-	-	19,000	19,000

11. Intangible assets

As at 30 June 2024, intangible assets consist of computer software \$168,000 (31 December 2023: \$192,000) and membership rights \$5,000 (31 December 2023: \$6,000).

12. Property, plant, and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$38,000 (31 December 2023: \$176,000).

13. Investment properties

	Group	
	2024 S\$'000	2023 S\$'000
Cost		
At as 1 January	3,365	3,397
Effects of movements in exchange rate	(142)	(32)
At as 30 June	3,223	3,365
Accumulated depreciation		
At as 1 January	1,510	1,345
Depreciation for the year	85	177
Effects of movements in exchange rate	(65)	(13)
At as 30 June	1,530	1,509
Net book value		
At as 30 June	1,693	1,856
Fair value		
At as 30 June	4,620	4,823

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used by an independent valuer.

14. Borrowings

	Group Unsecured		Company Unsecured	
	30/6/2024 S\$'000	31/12/2023 S\$'000	30/6/2024 S\$'000	31/12/2023 S\$'000
Amount repayable in one year or less, or on demand	226,571	251,841	160,255	179,185
Amount repayable after one year	6,861	11,494	6,560	10,544
	<u>233,432</u>	<u>263,335</u>	<u>166,815</u>	<u>189,729</u>

15. Share capital

	Group and Company Number of ordinary shares (excluding treasury shares)		
	30/6/2024	31/12/2023	1/1/2023
Balance at beginning and end of the period	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>

The Company does not hold any treasury shares as at 30 June 2024.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule
Appendix 7.2

Other Information

1. Review

The condensed interim consolidated statement of financial position of IFS Capital Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

i) Net interest income

	6 months ended 30 June		+ / (-) %
	1H FY2024 S\$'000	1H FY2023 S\$'000	
Accounts receivable purchase	5,604	5,599	0.1
Loans, advances, hire purchase and leasing	11,499	7,695	49.4
Interest income	17,103	13,294	28.7
Interest expense	(4,816)	(3,349)	43.8
Net interest income	12,287	9,945	23.5

Interest income from the Group's asset-based lending business increased by \$3.8 million or 49.4% to \$11.5 million in 1H FY2024 (1H FY2023: \$7.7 million). The increase was primarily attributed to the higher lending rate and higher average loan book.

The rise in interest expenses was primarily due to higher bank borrowings to support the Group's lending business and the higher borrowing costs incurred in our operations in Singapore and Thailand.

Despite the higher borrowing costs incurred, the Group managed to improve its net interest margin by 40bp from 4.8% in FY 2023 to 5.2% in 1H FY2024.

2. Review of performance of the Group (continued)

ii) Non-interest income

	6 months ended 30 June		+ / (-) %
	1H FY2024 S\$'000	1H FY2023 S\$'000	
Insurance service results			
Insurance revenue	5,923	4,437	33.5
Insurance service expenses			
- Claims	(8,584)	(2,267)	N.M.
- Acquisition expenses	(1,895)	(1,369)	38.5
- Maintenance expenses	(1,544)	(1,503)	2.7
	<u>(12,023)</u>	<u>(5,139)</u>	134.0
Insurance service results before reinsurance contracts held	(6,100)	(702)	N.M.
Net income/(expense) from reinsurance contract held	3,548	(772)	N.M.
Insurance service results	<u>(2,552)</u>	<u>(1,474)</u>	73.1
Fee and commission income	3,267	3,168	3.1
Net investment income	693	1,079	(35.8)
Other income	345	1,021	(66.2)
Non-interest income	<u>1,753</u>	<u>3,794</u>	(53.8)

Insurance premiums are generally written for 12 months and earned throughout the insurance coverage period. In the first half of FY2024, the Group wrote \$7.8 million in insurance premiums, up from \$4.4 million in the same period of FY2023. For the full year of 2023, total premiums written were \$9.8 million. The increase in premiums, especially from motor insurance, has led to higher insurance revenue (earned premium).

Insurance service expenses surged in 1H FY2024 largely due to claims expenses. In 1H FY2024, a claim reserve of a gross amount of \$4.6 million (\$0.9 million net after reinsurance) for a legacy financial guarantee issued was made and higher motor claims have been recorded.

Higher acquisition expense in 1H FY2024 was in alignment with the revenue growth.

The dip in other income in 1H FY2024 was mainly due to the absence of the write-back of some statute-barred liabilities which happened in 1H FY2023 that is non-recurring.

iii) Operating expenses

Operating expenses increased to S\$10.7 million in 1H FY2024 by \$0.9 million or 9.2% from \$9.8 million in 1H FY2023. The increase was due mainly to the following:

- (i) Higher advertising expenses to continue promoting the Group's technology services businesses.
- (ii) Higher staff costs due to an increase in headcount.

iv) Allowances for/ (Reversal of) impairment

	6 months ended 30 June		+ / (-) %
	1H FY2024 S\$'000	1H FY2023 S\$'000	
Stage 1	41	(263)	NM
Stage 2	(118)	750	NM
Stage 3	620	354	75.1
Others	47	95	50.5
Allowances and impairments	590	936	37.0

The reversal of the Stage 2 provision for impairment in 1H FY2024 was due to the redemption of a loan that was 60 days past due at the end of FY2023.

Higher Stage 3 provision for impairment was due to a few accounts in our Singapore and Thailand businesses that have receivables 90 days past due. The increase was offset by the reversal of the provision made in FY2023 for a restructured account in our Indonesia subsidiary's legacy loan portfolio when the loan was recovered.

v) Profit before tax

In the first half of FY2024, the Group saw increased revenue from its lending and insurance businesses. However, it faced higher losses in the insurance sector due to claim reserves for a legacy financial guarantee issued and increased operating expenses. Consequently, the Group's profitability fell slightly by \$0.2 million (6%), ending the period with a pre-tax profit of \$2.8 million.

vi) Financial position as at 30 June 2024

Gross lending assets including ARP outstanding fell by \$39.8 million from \$409.6 million as of 31 December 2023 to \$369.8 million as of 30 June 2024. This notable reduction is attributed primarily to the redemption of the asset-based loans and collections received from our ARP customers towards the end of the 2Q FY 2024.

Consequently, interest-bearing borrowings decreased by \$30.0 million from \$263.3 million as of 31 December 2023 to \$233.4 million as of 30 June 2024.

vii) Cash flow

The net cash movement of \$6.5 million in 1H FY 2024 was mainly attributed to (a) the cash generated from operating activities of \$36.5 million, arising from lower loans and ARP disbursements and (b) the net repayment of interest-bearing borrowings of \$26.8 million and dividend payments of \$2.7 million (net cash used in financing activities).

3. 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 FY2023 results announcement released on 27 February 2024.

4. 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.

Inflation expectations appear to be easing in our regional economies and attention is shifting towards growth again. Several risks, including growing geopolitical tensions, trade fragmentation, and adverse weather conditions, could impact our region's growth and stability.

On the insurance front, inflation has had an impact on claims costs over the recent years and as we step up the growth of our insurance portfolio, we will monitor and manage this aspect carefully. Our financing business should see some margin tailwind if interest rates begin to ease in a meaningful way.

We will continue to focus on growth across all our businesses in 2H24.

5. Dividend information

(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

6. 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 has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. 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 August 2024



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 half year ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min

Chairman

Randy Sim

Group Chief Executive Officer/Director

Ang Iris

Group Chief Financial Officer

Singapore

8 August 2024