



IFS Capital Limited

(Registration no: 198700827C)

First Quarter Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 March 2014

TABLE OF CONTENTS

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



First Quarter Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 March 2014

1(a)(i) Consolidated Statement of Profit or Loss for the Three Months Ended 31 March

	Note 1(a) (ii)	1st Quarter 2014 S\$'000	1st Quarter 2013 S\$'000	+ / (-) %
Interest income		5,880	6,859	(14.3)
Interest expense		(1,463)	(1,705)	(14.2)
Net interest income	(a)	4,417	5,154	(14.3)
Gross written premiums		2,714	3,161	(14.1)
Change in gross provision for unexpired risks		(314)	(1,304)	(75.9)
Gross earned premium revenue		2,400	1,857	29.2
Written premiums ceded to reinsurers		(1,350)	(2,194)	(38.5)
Reinsurers' share of change in provision for unexpired risks		(169)	927	NM
Reinsured premium expense		(1,519)	(1,267)	19.9
Net earned premium revenue	(b)	881	590	49.3
Fee and commission income	(c)	1,913	2,366	(19.1)
Investment income	(d)	1,116	510	118.8
Other income	(e)	223	89	150.6
Non-interest income		3,252	2,965	9.7
Income before operating expenses		8,550	8,709	(1.8)
Business development expenses		(198)	(171)	15.8
Commission expenses		(146)	(155)	(5.8)
Staff costs		(3,411)	(3,038)	12.3
General and administrative expenses		(1,556)	(1,612)	(3.5)
Operating expenses	(f)	(5,311)	(4,976)	6.7
Change in provision for insurance claims		(190)	(255)	(25.5)
Reinsurers' share of change in provision for insurance claims		59	194	(69.6)
Gross claims paid		(8)	(3)	166.7
Reinsurers' share of claims paid		(2)	(1)	100.0
Net claims incurred	(g)	(141)	(65)	116.9
Operating profit before allowances		3,098	3,668	(15.5)
Allowances for loan losses and impairment of investments	(h)	(1,591)	(1,425)	11.6
Profit before tax		1,507	2,243	(32.8)
Tax expense		(334)	(463)	(27.9)
Profit for the period		1,173	1,780	(34.1)
Profit attributable to:				
Owners of the Company		870	1,404	(38.0)
Non-controlling interests		303	376	(19.4)
Profit for the period		1,173	1,780	(34.1)

Consolidated Statement of Comprehensive Income for the Three Months Ended 31 March

	Note	1st Quarter	1st Quarter	
	1(a)	2014	2013	+ / (-)
	(ii)	S\$'000	S\$'000	%
Profit for the period		1,173	1,780	(34.1)
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Net change in fair value of available-for-sale financial assets		176	509	(65.4)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(i)	(1,067)	(150)	NM
Foreign currency translation differences of foreign operations	(j)	1,128	2,478	(54.5)
Tax on other comprehensive income		152	(61)	NM
Other comprehensive income for the period, net of tax		389	2,776	(86.0)
Total comprehensive income for the period		1,562	4,556	(65.7)
Attributable to:				
Owners of the Company		1,183	3,551	(66.7)
Non-controlling interests		379	1,005	(62.3)
Total comprehensive income for the period		1,562	4,556	(65.7)

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 profit for the period:

	1st Quarter 2014 S\$'000	1st Quarter 2013 S\$'000	+ / (-) %
Investment income			
- dividend, fee and interest income	358	295	21.4
- (loss)/gain on disposal of equity securities	(14)	246	NM
- gain on partial redemption of convertible loan	1,067	-	NM
- net change in fair value of financial assets designated at fair value through profit or loss	(298)	(38)	NM
- amortisation of held-to-maturity debt securities	3	7	(57.1)
	1,116	510	118.8
Gain on disposal of property, plant and equipment	6	16	(62.5)
Amortisation of intangible assets	(103)	(139)	(25.9)
Depreciation of property, plant and equipment	(240)	(263)	(8.7)
Exchange gain/(loss), net	19	(59)	NM
Provisions for unexpired risks, net of reinsurers' share			
- change in gross provision for unexpired risks	(314)	(1,304)	(75.9)
- reinsurers' share of change in provision for unexpired risks	(169)	927	NM
	(483)	(377)	28.1
Claims incurred, net of reinsurers' share			
- net change in provision for insurance claims	(131)	(61)	114.8
- net claims paid	(10)	(4)	150.0
	(141)	(65)	116.9
Allowances for loan losses and impairment of investments			
- loans and receivables	(1,440)	(1,420)	1.4
- equity securities	(151)	(5)	NM
	(1,591)	(1,425)	11.6
Tax expense			
- current tax expense	(296)	(693)	(57.3)
- deferred tax (expense)/credit	(34)	215	NM
- (under)/overprovision of prior years' tax	(4)	15	NM
	(334)	(463)	(27.9)

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

Comments on Major Consolidated Statement of Profit or Loss Variances

- (a) The decrease in net interest income was due mainly to lower factoring volume and lower loan assets outstanding.
- (b) The decline in gross written premiums of the insurance subsidiary, ECICS Limited ("ECICS") was due largely to lower bonds and guarantee business. With lower change in gross provision for unexpired risks due to higher release of unearned premium to earned premium, gross earned premium revenue increased 29% to \$2.4 million. After accounting for premiums ceded to reinsurers, net earned premium revenue was up 49% to \$0.9 million.
- (c) The decrease in fee and commission income was due mainly to lower underwriting commission income on lower bonds and guarantee business.
- (d) Higher investment income was due mainly to the realised gain of \$1.1 million resulting from a cash receipt of \$3.0 million on partial repayment of a convertible loan. This amount was reclassified from other comprehensive income.
- (e) Higher other income was due mainly to higher bad debts recoveries from factoring and loan accounts previously written off.
- (f) Higher operating expenses were mainly on staff costs as a result of annual wage increment and increase in headcount. Lower general and administrative expenses were due largely to foreign exchange gain and lower depreciation and amortization charge, partly offset by higher professional fee and fixed assets expensed/written off.
- (g) Higher net claims incurred were due mainly to higher provision for claims incurred but not reported.
- (h) Higher allowances for impairment of investments were due mainly to impairment loss on an available-for-sale quoted equity security.
- (i) For 1st Quarter 2014, there was a reclassification from other comprehensive income, the net change in fair value of available-for-sale financial assets to realised gain as explained in (d) above.
- (j) 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 gain for 1st Quarter 2014 was due to the strengthening of currencies of the regional subsidiaries for translation against the Singapore Dollar, in particular the Thai Baht and Indonesian Rupiah. As for the same quarter of 2013, the translation gain was due mainly to the strengthening of the Thai Baht.

1(a)(iii) Earnings Per Ordinary Share

	Group	
	1st Quarter 2014	1st Quarter 2013
Earnings per share		
- on weighted average number of ordinary shares in issue	0.58 cents	0.93 cents
- on fully diluted basis	0.58 cents	0.93 cents

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 (31 March 2013: 150,387,866).

The basic and fully diluted 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) Statement of Financial Position

	Note	Group		Company	
		31/03/2014 S\$'000	31/12/2013 S\$'000	31/03/2014 S\$'000	31/12/2013 S\$'000
Non-current assets					
Property, plant and equipment		17,610	17,639	15,529	15,685
Intangible assets		265	348	161	176
Subsidiaries		-	-	67,703	67,703
Other investments	(a)	33,698	31,288	7,451	7,906
Loans, advances, hire purchase and leasing receivables	(b)	47,931	50,971	35,002	36,212
Deferred tax assets		4,710	4,558	125	36
		104,214	104,804	125,971	127,718
Current assets					
Reinsurers' share of insurance contract provisions		12,679	12,789	-	-
Insurance receivables		1,247	1,192	-	-
Trade and other receivables	(c)	208,758	206,505	104,246	93,127
Other investments	(d)	11,416	11,688	-	2,354
Derivative financial assets	(e)	360	580	360	580
Cash and cash equivalents	(f)	57,175	62,142	9,056	8,828
		291,635	294,896	113,662	104,889
Total assets		395,849	399,700	239,633	232,607
Equity					
Share capital		88,032	88,032	88,032	88,032
Other reserves		(7,210)	(7,523)	736	1,485
Accumulated profits		47,917	47,047	22,838	22,445
Equity attributable to owners of the Company		128,739	127,556	111,606	111,962
Non-controlling interests		10,457	10,078	-	-
Total equity		139,196	137,634	111,606	111,962
Non-current liabilities					
Interest-bearing borrowings	(g)	30,793	33,591	22,098	25,672
Employee benefits		807	763	-	-
Deferred tax liabilities		30	29	-	-
		31,630	34,383	22,098	25,672
Current liabilities					
Trade and other payables		9,875	11,091	7,257	7,491
Insurance payables		2,222	3,145	-	-
Interest-bearing borrowings	(g)	189,558	190,639	98,200	86,779
Insurance contract provisions for - gross unexpired risks		16,212	15,898	-	-
- gross insurance claims		5,065	4,875	-	-
Current tax payable		2,091	2,035	472	703
		225,023	227,683	105,929	94,973
Total liabilities		256,653	262,066	128,027	120,645
Total equity and liabilities		395,849	399,700	239,633	232,607

Comments on Major Statement of Financial Position Variances

- (a) The increase in other investments under non-current assets was due mainly to the Group's additional participation in the existing property-related funds and ECICS' purchase of debt securities. The decrease at Company level resulted mainly from the reclassification of the net change in the fair value of a convertible loan to realised gain as explained in paragraph 1(a)(ii) item (d) on page 5.
- (b) The decrease in loans, advances, hire purchase and leasing receivables under non-current assets of the Group and the Company was due mainly to reclassification of receivables maturing within the next twelve months to current assets - trade and receivables.
- (c) The increase in trade and other receivables under current assets of the Group and the Company was due mainly to the reclassification explained in (b) above and new loans drawdown, partly offset by lower factoring receivables. At Company level, the increase was also due to higher lending to subsidiaries.
- (d) The decrease in other investments under current assets at Company level was due to the second capital return on investment in a convertible loan.
- (e) The decrease in derivative financial assets was due to the fair value loss on quoted warrants.
- (f) The Group's cash and cash equivalents comprise fixed deposits of \$43.7 million and cash at banks and in hand of \$13.5 million. The decrease in the cash balances resulted mainly from ECICS' purchase of new investments and utilisation of funds for repayment of bank borrowings.
- (g) The decrease in interest-bearing borrowings under non-current liabilities of the Group and the Company was mainly due to reclassification of interest-bearing borrowings maturing within the next twelve months to current liabilities. The Group's overall interest-bearing borrowings decreased from \$224.2 million as at 31 December 2013 to \$220.4 million as at 31 March 2014 due mainly to utilisation of surplus funds for repayment of bank borrowings.

1(b)(ii) Group's Borrowings

	As at 31/03/2014	As at 31/12/2013
	S\$'000	S\$'000
	(Unsecured)	(Unsecured)
Amount repayable in one year or less, or on demand	189,558	190,639
Amount repayable after one year	30,793	33,591
	220,351	224,230

Details of any collateral

Nil.

1(b)(iii) Net Asset Value

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Net asset value per ordinary share based on issued share capital at end of the financial period	85.6 cents	84.8 cents	74.2 cents	74.4 cents

1(c) Consolidated Statement of Cash Flows for the Three Months Ended 31 March

	Note	1st Quarter 2014 S\$'000	1st Quarter 2013 S\$'000
Cash flows from operating activities			
Profit for the period		1,173	1,780
Adjustments for:			
Amortisation of intangible assets and held-to-maturity debt securities		100	132
Net foreign exchange (gain)/loss		(5)	28
Depreciation of property, plant and equipment		240	263
Loss/(gain) on disposal of equity securities		14	(246)
Gain on partial redemption of a convertible loan		(1,067)	-
Gain on disposal of property, plant and equipment		(6)	(16)
Net change in fair value of financial assets through profit or loss		298	38
Allowance for impairment of investments		151	5
Provisions for, net of reinsurers' share			
- unexpired risks		483	377
- insurance claims		131	61
Interest income		(5,880)	(6,859)
Interest income from investments and fixed deposits		(230)	(293)
Dividend income from investments		(128)	(2)
Interest expense		1,463	1,705
Tax expense		334	463
Operating cash flows before changes in working capital		(2,929)	(2,564)
Changes in working capital:			
Factoring receivables		10,157	(8,041)
Factoring amounts due to clients		(261)	298
Loans, advances, hire purchase and leasing receivables		(7,851)	5,292
Insurance and other receivables		396	1,185
Trade, other and insurance payables		(1,964)	(292)
Cash used in operations		(2,452)	(4,122)
Interest received		6,090	7,208
Interest paid		(1,528)	(1,677)
Taxes paid, net		(339)	(259)
Net cash from operating activities	(a)	1,771	1,150

1(c) Consolidated Statement of Cash Flows for the Three Months Ended 31 March (cont'd)

	Note	1st Quarter 2014 S\$'000	1st Quarter 2013 S\$'000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		6	41
Purchase of property, plant and equipment		(215)	(32)
Purchase of intangible assets		(19)	(13)
Purchase of investments		(6,590)	(2,150)
Proceeds from disposal of investments		4,387	12,582
Dividend received from investments		128	2
Net cash (used in)/from investing activities	(b)	(2,303)	10,430
Cash flows from financing activities			
Repayments of interest-bearing borrowings		(4,620)	(5,566)
Net cash used in financing activities	(c)	(4,620)	(5,566)
Net (decrease)/increase in cash and cash equivalents	(d)	(5,152)	6,014
Cash and cash equivalents at beginning of period		62,142	53,356
Effect of exchange rate fluctuations on cash held		185	751
Cash and cash equivalents at end of period		57,175	60,121
Analysis of cash and cash equivalents net of bank overdraft			
Fixed deposits		43,732	48,558
Cash at banks and on hand		13,443	11,569
Bank overdraft		-	(6)
Cash and cash equivalents net of bank overdraft at end of period		57,175	60,121

Explanatory Notes to Statement of Cash Flows

(a) Net cash from operating activities

The net cash from operating activities in 1st Quarter 2014 ("1Q 2014") was due mainly to repayment of factoring receivables, partly offset by drawdown of loans, advances, hire purchase and leasing receivables. In comparison, the net cash from operating activities in 1st Quarter 2013 ("1Q 2013") was due mainly to repayment of loans, advances, hire purchase and leasing receivables, partly offset by drawdown of factoring receivables.

(b) Net cash (used in)/from investing activities

The net cash used in investing activities in 1Q 2014 was due mainly to higher purchase of investments and lower proceeds from redemption of held-to-maturity debt securities as compared to 1Q 2013.

Details of the purchase of investments of \$6.6 million and proceeds from redemption/disposal of investments of \$4.4 million for 1Q 2014 are 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	1,587	1,412
- Quoted debt securities	2,003	-
- Unquoted debts securities	2,000	-
<u>IFS Group (excluding ECICS Limited)</u>		
- Convertible loan facility	-	2,975
- Property related fund	1,000	-
Total	6,590	4,387

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

(c) Net cash used in financing activities

The net cash used in financing activities in 1Q 2014 and 1Q 2013 was due to utilisation of surplus funds for repayments of interest-bearing borrowings.

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

The net decrease in cash and cash equivalents in 1Q 2014 resulted from higher purchase of investments coupled with utilisation of funds for repayments of interest-bearing borrowings from net cash generated from operating activities and proceeds from disposal of investments. In comparison, the net increase in cash and cash equivalents in 1Q 2013 was due mainly to net cash from operating activities, and net cash from investing activities with higher proceeds from disposal of investments, partly offset by repayments of interest-bearing borrowings.

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

Group	Attributable to owners of the Company						Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000		
2013								
At 1 January 2013 *	88,032	(422)	2,046	(4,869)	54,962	139,749	9,564	149,313
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,404	1,404	376	1,780
Other comprehensive income	-	-	298	1,849	-	2,147	629	2,776
Total comprehensive income for the period	-	-	298	1,849	1,404	3,551	1,005	4,556
At 31 March 2013	88,032	(422)	2,344	(3,020)	56,366	143,300	10,569	153,869
2014								
At 1 January 2014	88,032	(236)	1,507	(8,794)	47,047	127,556	10,078	137,634
Total comprehensive income for the period								
Profit for the period	-	-	-	-	870	870	303	1,173
Other comprehensive income	-	-	(739)	1,052	-	313	76	389
Total comprehensive income for the period	-	-	(739)	1,052	870	1,183	379	1,562
At 31 March 2014	88,032	(236)	768	(7,742)	47,917	128,739	10,457	139,196

Company	Share capital S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
2013				
At 1 January 2013	88,032	2,941	22,742	113,715
Total comprehensive income for the period				
Profit for the period	-	-	1,909	1,909
Other comprehensive income	-	243	-	243
Total comprehensive income for the period	-	243	1,909	2,152
At 31 March 2013	88,032	3,184	24,651	115,867
2014				
At 1 January 2014	88,032	1,485	22,445	111,962
Total comprehensive income for the period				
Profit for the period	-	-	393	393
Other comprehensive income	-	(749)	-	(749)
Total comprehensive income for the period	-	(749)	393	(356)
At 31 March 2014	88,032	736	22,838	111,606

* The figures have been restated due to change in accounting policy on premium recognition of the Group's insurance subsidiary.

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

Since 31 December 2013, there was no change in the issued share capital of the Company. The share capital of the Company as at 31 March 2014 was 150,387,866 ordinary shares.

There were no outstanding convertibles as at 31 March 2014 (31 March 2013: Nil).

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

The total number of issued shares as at 31 March 2014 was 150,387,866 (31 December 2013: 150,387,866 issued shares). The Company does not hold any treasury shares as at 31 March 2014 (31 March 2013: 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 2013.

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 2014. The following are the new or amended FRSs that are relevant to the Group:

- Revised FRS 27 *Separate Financial Statements*
- Revised FRS 28 *Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*

5 Changes in Accounting Policies (cont'd)

- FRS 112 *Disclosure of Interests in Other Entities*
- Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 36 *Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to FRS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

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

1st Quarter 2014 ("1Q 2014") versus 1st Quarter 2013 ("1Q 2013")

Group's operating income for 1Q 2014 of \$8.6 million was \$159,000 or 2% lower compared to 1Q 2013 due to lower net interest income, mitigated by higher net earned premium revenue and non-interest income.

Total operating expenses were up \$335,000 or 7% to \$5.3 million mainly on staff costs.

After taking into account higher net claims incurred and higher allowances for loan losses and impairment of investments, net profit after tax fell 34% year-on-year to \$1.2 million. Overall, the Group's net profit attributable to shareholders decreased 38% to \$870,000.

The Group's loan assets including factoring receivables outstanding were \$334.8 million as at 31 March 2014. This was a decrease of 0.2% and 11% against the bases of \$335.6 million as at 31 December 2013 and \$375.8 million as at 31 March 2013 respectively due to higher repayment of loan accounts and lower factoring receivables.

The Singapore operations including ECICS reported a 35% increase in net profit to \$278,000 from \$206,000 in 1Q 2013. This was mainly attributable to higher net earned premium revenue and investment income and lower allowances for loan losses, partly offset by lower net interest income, higher operating expenses and higher net claims incurred. ECICS reported a 49% growth in net earned premium revenue coupled with write back of insurance receivables. With increased operating costs and higher net claims incurred, it reported a lower net profit of \$130,000 compared to \$277,000 in 1Q 2013.

For the regional operations, our Thailand subsidiary reported a net profit after non-controlling interests of \$825,000, down 19% from \$1.0 million in 1Q 2013 on lower revenue and higher allowances for loan losses. Our Indonesia subsidiary posted a higher net profit of \$58,000 compared to \$30,000 in 1Q 2013 due to higher fee and commission income; and lower operating expenses and allowances for loan losses, partly offset by drop in net interest income on lower business volume. Our Malaysia subsidiary reported net loss of \$101,000 compared to net profit of \$320,000 in 1Q 2013, due mainly to lower business volume and higher operating expenses.

Overall, regional operations recorded lower net profit after non-controlling interests of \$592,000 compared to \$1.2 million in 1 Q 2013.

7 Variance from Prospect Statement

The current announced results are in line with the prospect statement as disclosed in the Group's 2013 full year results announcement dated 24 February 2014.

8 Prospects

The Group will continue to grow its factoring and loan businesses in Singapore and the region. While the Singapore market is stable, the Group is mindful of the uncertainty and challenges in Thailand, a significant source of revenue. The Group has refocused its operations in Indonesia and Malaysia, and expects to see an improvement in performance of those markets over time.

ECICS will continue its plan to diversify and to write full range of general business lines.

The Group continues to adhere to prudent credit management and looks actively to expand its presence and business activities.

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 31 March 2014 (31 March 2013: 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
9 May 2014



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 quarter ended 31 March 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min
Chairman

Lee Soon Kie
Group Chief Executive Officer/Director

Singapore
9 May 2014