

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

**Condensed Interim Financial Statements
For the six months and full year ended 31 December 2023**

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

	6 months ended			12 months ended		
	31 December		+ / (-)	31 December		+ / (-)
	2H	2H		12M	12M	
Note	FY2023 S\$'000	FY2022 S\$'000 (Restated)	%	FY2023 S\$'000	FY2022 S\$'000 (Restated)	%
Interest income	16,938	12,854	31.8	30,232	22,848	32.3
Interest expense	(4,796)	(1,973)	143.1	(8,145)	(3,501)	132.6
Net interest income	12,142	10,881	11.6	22,087	19,347	14.2
Insurance revenue	3,506	3,847	(8.9)	8,051	6,986	15.2
Insurance service expenses	(7,527)	(1,573)	NM	(10,628)	(4,014)	164.8
Insurance service results before reinsurance contracts held	(4,021)	2,274	NM	(2,577)	2,972	NM
Allocation of reinsurance premiums	(57)	(2,493)	(97.7)	(2,182)	(1,610)	35.5
RI acquisition income	1,457	293	NM	1,457	293	NM
Amount recoverable from reinsurers from incurred claims	475	(1,164)	NM	1,469	(2,411)	NM
Net expense from reinsurance contract held	1,875	(3,364)	NM	744	(3,728)	NM
Insurance service results	(2,146)	(1,090)	96.9	(1,833)	(756)	142.5
Fee and commission income	3,314	3,401	(2.6)	6,482	6,790	(4.5)
Net investment income	900	(542)	NM	1,979	(153)	NM
Other income	395	615	(35.8)	1,426	1,121	27.2
Non-interest income	4,609	3,474	32.7	9,887	7,758	27.4
Income before operating expenses	14,605	13,265	10.1	30,141	26,349	14.4
Business development expenses	(583)	(356)	63.8	(890)	(527)	68.9
Staff costs	(6,603)	(5,741)	15.0	(14,167)	(12,886)	9.9
General and administrative expenses	(2,506)	(2,065)	21.4	(6,229)	(5,231)	19.1
Operating expenses	(9,692)	(8,162)	18.7	(21,286)	(18,644)	14.2
Operating profit before allowances	4,913	5,103	(3.7)	8,855	7,705	14.9
Recognition of allowances for loan losses and impairment of other assets	(781)	(959)	(18.6)	(1,717)	(1,278)	34.4
Profit before tax	4,132	4,144	(0.3)	7,138	6,427	11.1
Tax expense	(732)	(774)	(5.4)	(1,816)	(1,571)	15.6
Profit for the year	3,400	3,370	0.9	5,322	4,856	9.6
Profit attributable to:						
Owners of the Company	2,380	2,430	(2.1)	3,439	3,059	12.4
Non-controlling interests	1,020	940	8.5	1,883	1,797	4.8
	3,400	3,370	0.9	5,322	4,856	9.6
Earnings per share						
Basic earnings per share (cents)	0.63	0.65	(3.1)	0.91	0.81	12.3
Diluted earnings per share (cents)	0.63	0.65	(3.1)	0.91	0.81	12.3

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

2H FY2022 and 12M FY2022 were restated due to the initial application of SFRS(I) 17 Insurance Contracts.

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

Note	6 months ended 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000 (Restated)	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000 (Restated)	+ / (-) %
	3,400	3,370	0.9	5,322	4,856	9.6
Profit for the year						
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Defined benefit plan remeasurements	30	118	(74.6)	(18)	118	NM
Tax on other comprehensive income	(3)	1	NM	8	(1)	NM
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences of foreign operations	(81)	(2,353)	(96.6)	(1,004)	(4,360)	(77.0)
Other comprehensive income for the year, net of tax	(54)	(2,234)	(97.6)	(1,014)	(4,243)	(76.1)
Total comprehensive income for the year	<u>3,346</u>	<u>1,136</u>	194.5	<u>4,308</u>	<u>613</u>	NM
Total comprehensive income attributable to:						
Owners of the Company	2,142	373	NM	2,558	(587)	NM
Non-controlling interests	1,204	763	57.8	1,750	1,200	45.8
	<u>3,346</u>	<u>1,136</u>	194.5	<u>4,308</u>	<u>613</u>	NM

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

2H FY2022 and 12M FY2022 were restated due to the initial application of SFRS(I) 17 Insurance Contracts.

	6 months ended 31 December		12 months ended 31 December	
	2H FY2023	2H FY2022 (Restated)	12M FY2023	12M FY2022 (Restated)
Earnings per ordinary share				
(i) On weighted average number of ordinary shares in issue (cents)	0.63	0.65	0.91	0.81
(ii) On fully diluted basis (cents)	<u>0.63</u>	<u>0.65</u>	<u>0.91</u>	<u>0.81</u>
Net profit attributable to shareholders	<u>2,380,000</u>	<u>2,430,000</u>	<u>3,439,000</u>	<u>3,059,000</u>
Number of shares in issue				
(i) On weighted average number of ordinary shares in issue	375,969,665	375,969,665	375,969,665	375,969,665
(ii) On fully diluted basis	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>

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 foreign currency translation differences of foreign operations in 2H FY2023 and 12M FY2023 were mainly due to the weakening of THB and MYR against Singapore dollars (“SGD”) in 2023.

Exchange rates for the respective reporting period were as follows:

	<u>31/12/2023</u>	<u>30/06/2023</u>	<u>31/12/2022</u>	<u>30/06/2022</u>
THB against SGD	26.266	26.528	26.017	25.652
MYR against SGD	3.4837	3.4536	3.2841	3.1586
IDR against SGD	11,711	11,102	11,659	10,685

B. Condensed interim statements of financial position

	Note	Group			Company	
		31.12.2023 S\$'000	31.12.2022 S\$'000 (Restated)	1.1.2022 S\$'000 (Restated)	31.12.2023 S\$'000	31.12.2022 S\$'000
Equity						
Share capital	15	137,302	137,302	137,302	137,302	137,302
Other reserves		(6,140)	(5,261)	(1,498)	–	–
Accumulated profits		45,139	43,394	43,151	43,334	45,907
Equity attributable to owners of the Company						
		176,301	175,435	178,955	180,636	183,209
Non-controlling interests		23,811	23,143	17,305	–	–
Total equity		200,112	198,578	196,260	180,636	183,209
Liabilities						
Trade and other payables		7,751	11,752	15,177	4,286	4,190
Interest-bearing borrowings	14	263,335	169,540	168,403	189,729	96,652
Insurance contract liabilities		14,567	11,569	17,864	–	–
Lease liabilities		3,076	3,772	1,875	2,700	3,245
Current tax payable		1,060	1,040	2,048	–	141
Employee benefits		1,427	1,426	1,558	–	–
Deferred tax liabilities		–	84	109	–	84
Total liabilities		291,216	199,183	207,034	196,715	104,312
Total equity and liabilities		491,328	397,761	403,294	377,351	287,521
Assets						
Cash and cash equivalents		43,292	54,582	115,126	13,688	19,020
Other investments	10	24,562	25,793	25,971	19,000	19,000
Property held for sale		85	85	360	–	–
Loans and advances		267,867	171,143	96,042	136,350	91,243
Hire purchase and leasing receivables		15,561	15,859	5,593	–	–
Account receivables purchase		126,213	117,100	145,656	9,116	4,753
Other receivables		1,781	1,796	1,254	100,198	53,685
Reinsurance contract assets		2,854	1,003	4,001	–	–
Property, plant and equipment	11	1,059	1,217	1,535	159	171
Intangible assets	12	198	332	505	110	269
Investment properties	13	1,856	2,052	2,319	–	–
Investment in subsidiaries		–	–	–	96,133	96,133
Deferred tax assets		3,025	3,112	3,179	–	–
Right-of-use assets		2,975	3,687	1,753	2,597	3,247
Total assets		491,328	397,761	403,294	377,351	287,521

Balance at 31.12.2022 and 1.1.2022 were restated due to the initial application of SFRS(I) 17 *Insurance Contracts*.

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 2023		137,302	108	(5,369)	43,394	175,435	23,143	198,578
Total comprehensive income for the year								
Profit for the year		–	–	–	3,439	3,439	1,883	5,322
<i>Other comprehensive income</i>								
Foreign currency translation differences		–	–	(879)	–	(879)	(125)	(1,004)
Defined benefit plan remeasurements		–	–	–	(8)	(8)	(10)	(18)
Tax on other comprehensive income		–	–	–	6	6	2	8
Total other comprehensive income		–	–	(879)	(2)	(881)	(133)	(1,014)
Total comprehensive income for the year		–	–	(879)	3,437	2,558	1,750	4,308
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		–	–	–	–	–	(1,232)	(1,232)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	(1,082)	(1,082)
Total transactions with owners		–	–	–	(1,692)	(1,692)	(1,082)	(2,774)
At 31 December 2023		137,302	108	(6,248)	45,139	176,301	23,811	200,112

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

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 2022		137,302	108	(1,606)	43,151	178,955	17,305	196,260
Total comprehensive income for the year								
Profit for the year		–	–	–	3,059	3,059	1,797	4,856
<i>Other comprehensive income</i>								
Foreign currency translation differences		–	–	(3,763)	–	(3,763)	(597)	(4,360)
Defined benefit plan remeasurements		–	–	–	118	118	–	118
Tax on other comprehensive income		–	–	–	(1)	(1)	–	(1)
Total other comprehensive income		–	–	(3,763)	117	(3,646)	(597)	(4,243)
Total comprehensive income for the year		–	–	(3,763)	3,176	(587)	1,200	613
Transactions with owners, recognised directly in equity								
<i>Contributions by and distributions to owners</i>								
Dividends paid to owners of the Company	8	–	–	–	(2,933)	(2,933)	–	(2,933)
Total contributions by and distributions to owners		–	–	–	(2,933)	(2,933)	–	(2,933)
<i>Changes in ownership interests in subsidiaries</i>								
Non-controlling interest arising from investment in subsidiary		–	–	–	–	–	5,500	5,500
Dividends paid by a subsidiary company to non-controlling interests		–	–	–	–	–	(862)	(862)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	4,638	4,638
Total transactions with owners		–	–	–	(2,933)	(2,933)	4,638	1,705
At 31 December 2022		137,302	108	(5,369)	43,394	175,435	23,143	198,578

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

		Share capital	Accumulated profits	Total equity
	Note	S\$'000	S\$'000	S\$'000
Company				
At 1 January 2023		137,302	45,907	183,209
Total comprehensive income for the year				
Profit for the year		–	(881)	(881)
Total comprehensive income for the year		–	(881)	(881)
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 31 December 2023		137,302	43,334	180,636
At 1 January 2022		137,302	48,276	185,578
Total comprehensive income for the year				
Profit for the year		–	564	564
Total comprehensive income for the year		–	564	564
Transactions with owners, recognised directly in equity				
<i>Contributions by and distributions to owners</i>				
Dividends paid to owners of the Company	8	–	(2,933)	(2,933)
Total contributions by and distributions to owners		–	(2,933)	(2,933)
At 31 December 2022		137,302	45,907	183,209

D. Condensed interim consolidated statement of cash flows

	Note	FY2023 S\$'000	FY2022 S\$'000 (Restated)
Cash flows from operating activities			
Profit before tax		7,138	6,427
Adjustments for:			
Amortisation of debt securities at amortised cost	6	(25)	(19)
Amortisation of intangible assets	6	200	223
Depreciation of property, plant and equipment	6	322	368
Depreciation of investment properties	6	177	180
Depreciation of right-of-use assets	6	819	825
(Gain)/loss on disposal of equity and debt securities	6	(40)	11
Gain on disposal of property held for sale		–	(11)
Gain on disposal of property, plant and equipment		(37)	–
Net change in fair value of financial assets at fair value through profit or loss	6	(276)	1,310
Recognition of allowance for impairment of investments at amortised cost	6	8	(20)
Recognition of allowance for loan losses and impairment of other assets		1,679	1,133
Interest income		(16,938)	(9,994)
Interest income from investments and fixed deposits		(668)	(430)
Dividend income from investments		(679)	(200)
Interest expense on borrowings		4,796	1,528
Interest expense on lease liabilities		196	75
Operating cash flows before changes in working capital		(3,328)	1,406
Changes in working capital:			
Account receivables purchase		(18,983)	33,703
Account receivables purchase due to clients		8,981	(9,197)
Loans and advances		(97,293)	(75,460)
Hire purchase and leasing receivables		(489)	(10,601)
Insurance and other receivables		(1,885)	2,578
Trade, other and insurance payables		(993)	(9,739)
Cash used in operations		(113,990)	(67,310)
Interest received		17,606	10,424
Interest paid		(4,796)	(1,528)
Taxes paid, net		(1,554)	(2,443)
Net cash used in operating activities		(102,734)	(60,857)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		40	–
Purchase of property, plant and equipment		(176)	(85)
Purchase of intangible assets		(66)	(53)
Purchase of investments		(15,935)	(12,509)
Proceeds from disposal of investments		17,096	10,816
Proceeds from disposal of property held for sale		–	271
Dividends received from investments		679	200
Net cash generated from/(used in) investing activities		1,638	(1,360)
Cash flows from financing activities			
Dividends paid			
- by the Company		(1,692)	(2,933)
- by a subsidiary company to non-controlling interests		(1,232)	(862)
Repayment of interest-bearing borrowings		(345,067)	(574,928)
Proceeds from drawdown of interest-bearing borrowings		439,559	579,330
Proceeds from non-controlling interest's investments to subsidiary		150	5,500
Repayment of lease liabilities		(1,001)	(901)
Net cash generated from financing activities		90,717	5,206

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

	Note	FY2023 S\$'000	FY2022 S\$'000 (Restated)
Net changes in cash and cash equivalents		(10,379)	(57,011)
Cash and cash equivalents at beginning of the year		54,582	115,126
Effect of exchange rate fluctuations on cash held		(911)	(3,533)
Cash and cash equivalents at end of the year		43,292	54,582
Analysis of cash and cash equivalents			
Cash at banks and in hand		36,226	46,418
Fixed deposits		6,245	7,362
Fixed deposits held on behalf of policyholders		821	802
Cash and cash equivalents at end of the year		43,292	54,582

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 and for the twelve months ended 31 December 2023 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., incorporated in Singapore.

The principal activities of the Company are those relating to the provision of commercial, alternative and structured finance businesses such as account receivables purchase services, working capital, asset-based 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 and twelve months ended 31 December 2023 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 interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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 New and amended standards adopted by the Group

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2023:

SFRS(I)	Title
SFRS(I) 17	<i>Insurance Contracts</i>
Various	<i>Amendments to SFRS(I) 17</i>
Various	<i>Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies</i>
SFRS(I) 1-8 (Amendments)	<i>Definition of Accounting Estimates</i>
SFRS(I) 1-12 (Amendments), SFRS(I) 1 (Amendments)	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

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, except for the adoption of SFRS(I) 17 *Insurance Contracts*.

The Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated comparative information for the financial year 2022 applying the transitional provisions.

SFRS(I) 17 Insurance Contracts

SFRS(I) 17 replaces SFRS(I) 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023. SFRS(I) 17 establishes specific principles for the recognition, measurement, presentation and disclosure of reinsurance contracts issued or reinsurance contracts held by the Group. The accounting policies adopted by the Group can be summarised, as follows:

i. Premium Allocation Approach (“PAA”) model

The PAA simplifies the measurement of insurance contracts in comparison with the General Measurement Approach (“GMA”) model in SFRS(I) 17. Under SFRS(I) 17, the Group’s reinsurance contracts issued and reinsurance contracts held are eligible for the application of the PAA as 1) the coverage period of each contract within the group of insurance contracts is one year or less, or 2) the measurement of the liability for remaining coverage for the group of insurance contracts would not differ materially from the measurement that would be produced by applying the requirements for the general model.

ii. Full retrospective approach

The Group has applied the full retrospective approach at the transition date since all group of insurance contracts was on PAA and the Group has adopted a full retrospective for its liability for remaining coverage (“LRC”) without the original assumption. For the liability for incurred claims (“LIC”), data can be derived from past actuarial reports.

iii. Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregated insurance contracts issued, and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of insurance and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared to those disclosed under SFRS(I) 4. In the adoption of SFRS(I) 17, the Group reported the following line items in their financial statements:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

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.

2.3 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 for the measurement of fair values. The Finance Department led by the Group Chief Financial Officer has overall responsibility for all significant fair value measurements, including Level 3 fair values, where applicable. Reviewing significant unobservable inputs and valuation adjustments every quarter.

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 Group CFO review the internal management reports every month. 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 small and medium-sized enterprises. The commercial services provided include accounts 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 issue 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 interest income, insurance service results, 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
31 December 2023					
Operating results					
Total operating income	28,661	(1,008)	1,155	–	28,808
Reportable segment profit before tax	6,877	(380)	1,155	(514)	7,138
Net interest income	22,087	–	–	–	22,087
Insurance service results	–	(1,833)	–	–	(1,833)
Non-interest income	7,141	1,561	1,155	–	9,857
Other material non-cash items:					
- Provisions for loan losses and impairment of other assets	(1,709)	(8)	–	–	(1,717)
- Depreciation and amortisation	(1,489)	–	–	–	(1,489)
Assets and liabilities					
Reportable segment assets	454,125	32,228	698	611	487,662
Capital expenditure	219	23	–	–	242
Reportable segment liabilities	275,130	14,878	68	74	290,150

	Credit financing	Insurance	Private equity and other investments	Fund management	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
31 December 2022 (Restated)					
Operating results					
Total operating income	25,653	37	226	–	25,916
Reportable segment profit before tax	7,361	(101)	(250)	(583)	6,427
Net interest income	19,347	–	–	–	19,347
Insurance service results	–	(756)	–	–	(756)
Non-interest income	7,192	793	(250)	–	7,735
Other material non-cash items:					
- Provisions for loan losses and impairment of other assets	(1,256)	(22)	–	–	(1,278)
- Depreciation and amortisation	(1,557)	–	–	–	(1,557)
Assets and liabilities					
Reportable segment assets	360,958	30,276	2,118	1,111	394,463
Capital expenditure	81	4	–	–	85
Reportable segment liabilities	185,082	12,255	359	84	197,780

	31.12.2023 S\$'000	31.12.2022 S\$'000 (Restated)
Assets		
Total assets for reportable segments	487,662	394,463
Other unallocated amounts	3,666	3,298
Consolidated assets	491,328	397,761
Liabilities		
Total liabilities for reportable segments	290,150	197,780
Other unallocated amounts	1,066	1,403
Consolidated liabilities	291,216	199,183

Given 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*. These are the major markets for credit financing and insurance activities.

In presenting information based on 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	Total assets S\$'000
31 December 2023		
Singapore	12,881	323,105
Thailand	14,245	146,833
Malaysia	1,185	8,669
Indonesia	497	12,721
	28,808	491,328
31 December 2022 (Restated)		
Singapore	8,006	227,317
Thailand	15,977	145,816
Malaysia	1,277	10,191
Indonesia	656	14,437
	25,916	397,761

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023, 31 December 2022 and 1 January 2022:

	31.12.2023 S\$'000	Group 31.12.2022 S\$'000 (Restated)	1.1.2022 S\$'000 (Restated)	Company 31.12.2023 S\$'000	31.12.2022 S\$'000
Financial assets					
Other investment	24,562	25,793	25,971	19,000	19,000
Loans and advances	267,867	171,143	96,042	136,350	91,243
Hire purchase and leasing receivables	15,561	15,859	5,593	–	–
Account receivables purchase	126,213	117,100	145,656	9,116	4,753
Other receivables (exclude prepayment)	1,154	1,363	808	99,910	28,436
Cash and cash equivalents	43,292	54,582	115,126	13,688	19,020
	478,649	385,840	389,196	278,064	162,452
Financial liabilities					
Trade and other payables	7,751	11,752	15,177	4,286	4,190
Interest-bearing borrowings	263,335	169,540	168,403	189,729	96,652
	271,086	181,292	183,580	194,015	100,842

6. Profit before taxation

	6 months ended 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000 (Restated)	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000 (Restated)	+ / (-) %
Investment income						
- Dividend, fee and interest income	595	633	(6.0)	1,712	1,163	47.2
- Gain/(loss) on disposal of equity and debt securities	21	(33)	NM	40	(11)	NM
- Net change in fair value of financial assets at fair value through profit or loss	345	(1,124)	NM	276	(1,310)	NM
- Amortisation of debt securities at amortised cost	16	23	(30.4)	25	19	31.6
- Exchange gain	(77)	(41)	87.8	(74)	(14)	NM
	<u>900</u>	<u>(542)</u>	NM	<u>1,979</u>	<u>(153)</u>	NM
Amortisation of intangible assets	(90)	(110)	(18.2)	(200)	(223)	(10.3)
Depreciation of property, plant and equipment	(125)	(145)	(13.8)	(293)	(329)	(10.9)
Depreciation of investment properties	(88)	(88)	-	(177)	(180)	(1.7)
Depreciation of right-of-use assets	(411)	(411)	-	(819)	(825)	(0.7)
Foreign currency differences						
- Exchange gain/(loss) arising from revaluation	168	399	(57.9)	(103)	490	NM
	<u>(546)</u>	<u>(355)</u>	53.8	<u>(1,592)</u>	<u>(1,067)</u>	49.2
(Allowance)/reversal for loan losses and impairment of investments						
- Stage 1 provision	(132)	(211)	(37.4)	131	(181)	NM
- Stage 2 provision	376	-	NM	(374)	(68)	NM
- Stage 3 provision	(1,027)	(646)	59.0	(1,381)	(983)	40.5
- Insurance and other receivables	(5)	(55)	(90.9)	(54)	14	NM
- Debts written off	(1)	(36)	(97.2)	(31)	(40)	(22.5)
- Investments at amortisation costs	8	(11)	NM	(8)	(20)	(60.0)
	<u>(781)</u>	<u>(959)</u>	(18.6)	<u>(1,717)</u>	<u>(1,278)</u>	34.4

7. Taxation

The Group calculates the period income tax expenses using the tax rate that would apply 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 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000	+ / (-) %
	(Restated)			(Restated)		
Tax expenses						
- Current	(871)	(835)	4.3	(1,795)	(1,669)	7.5
- Deferred	56	47	19.1	79	93	(15.1)
- Under-provision of prior years' tax	83	14	NM	(100)	5	NM
	<u>(732)</u>	<u>(774)</u>	<u>(5.4)</u>	<u>(1,816)</u>	<u>(1,571)</u>	<u>15.6</u>

8. Dividend

The following dividends were declared and paid by the Company:

	Group	
	31.12.2023 S\$'000	31.12.2022 S\$'000
<u>Dividends paid</u>		
A first and final one-tier tax-exempt dividend of 0.45 cents per ordinary share (2022: 0.78 cents per ordinary share) paid in respect of the previous financial year	1,692	2,933

9. Net asset value

	Group			Company	
	31.12.2023 S\$'000	31.12.2022 S\$'000	1.1.2022 S\$'000	31.12.2023 S\$'000	31.12.2022 S\$'000
	(Restated)		(Restated)		
Net asset value (NAV) per ordinary share (cents)	46.9	46.7	47.6	48.0	48.7
NAV computed based on number of ordinary shares issued	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>

10. Financial assets

Group	Carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 December 2023					
Financial assets measured at fair value					
FVTPL financial assets					
- Equity securities	5,305	5,166	–	139	5,305
- Debt securities	3,580	3,580	–	–	3,580
- Convertible loans	1	–	–	1	1
	8,886	8,746	–	140	8,886
Financial assets not measured at fair value					
Debt securities at amortised cost	15,676	15,676	–	–	15,676
	15,676	15,676	–	–	15,676
31 December 2022 (Restated)					
Financial assets measured at fair value					
FVTPL financial assets					
- Equity securities	5,298	5,126	–	172	5,298
- Debt securities	4,429	3,429	–	1,000	4,429
- Convertible loans	55	–	–	55	55
	9,782	8,555	–	1,227	9,782
Financial assets not measured at fair value					
Debt securities at amortised cost	16,011	16,011	–	–	16,011
	16,011	16,011	–	–	16,011
Company					
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
31 December 2022					
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. Property, plant, and equipment

During the twelve months ended 31 December 2023, the Group acquired assets amounting to \$176,000 (31 December 2022: \$84,000).

12. Intangible assets

As at 31 December 2023, intangible assets consist of computer software \$192,000 (31 December 2022: \$326,000) and membership rights \$6,000 (31 December 2022: \$6,000).

13. Investment properties

	Group	
	31.12.2023 S\$'000	31.12.2022 S\$'000
Cost		
At at 1 January	3,397	3,532
Effects of movements in exchange rate	(32)	(135)
At at 31 December	3,365	3,397
Accumulated depreciation		
At as 1 January	1,345	1,213
Depreciation for the year	177	180
Effects of movements in exchange rate	(13)	(48)
At as 31 December	1,509	1,345
Net book value		
As at 31 December	1,856	2,052
Fair value		
As at 31 December	4,823	4,869

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

14. Borrowings

	Group			Company	
	31.12.2023 S\$'000	31.12.2022 S\$'000 (Restated)	1.1.2022 S\$'000 (Restated)	31.12.2023 S\$'000	31.12.2022 S\$'000
Amount repayable in one year or less, or on demand	251,841	148,874	143,153	179,185	79,764
Amount repayable after one year	11,494	20,666	25,250	10,544	16,888
	263,335	169,540	168,403	189,729	96,652

Details of any collateral

Nil

15. Share capital

	Group and Company	
	Number of ordinary shares (excluding treasury shares)	
	31.12.2023	31.12.2022
Balance at the beginning and end of the year	375,969,665	375,969,665

The Company does not hold any treasury shares as at 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

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 31 December 2023 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 and twelve 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 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000 (Restated)	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000 (Restated)	+ / (-) %
Account Receivables						
Purchase (ARP)	5,806	5,473	6.1	11,405	11,316	0.8
Loans, advances, hire purchase and leasing	11,132	7,381	50.8	18,827	11,532	63.3
Interest income	16,938	12,854	31.8	30,232	22,848	32.3
Interest expense	(4,796)	(1,973)	143.1	(8,145)	(3,501)	132.6
Net interest income	12,142	10,881	11.6	22,087	19,347	14.2

Despite the higher lending rates secured by the Group's ARP business in Thailand, the lower business volume, and weaker Thai Baht against the Singapore Dollar in FY2023 have resulted in interest income from our ARP business remaining flat, increasing marginally by \$0.1 million to \$11.4 million.

The Group's asset-based loan book surged significantly to \$290.1 million at the end of 31 December 2023 (FY2022: \$195.3 million), representing a substantial growth of about 50%. This expansion in the loan book has been a major driver of the Group's increased interest income, demonstrating the Group's commitment to quickly rebuild our loan book while adhering to stringent standards in selection and negotiation processes.

The triple-digit percentage increase in interest expenses was primarily due to higher bank borrowings to support the expansion of the Group's lending business and higher borrowing costs incurred in our operations in Singapore.

Due to the rising in borrowing rates during the year and the deferred re-pricing of our lending rates to the 2H of FY2023 in Singapore, the Group only managed to achieve a net interest margin of 4.8% in FY2023, a decline of 1.9 percentage points as compared to FY2022. The deferment in re-pricing of our lending rates was in line with our mission to ensure affordable access to capital for creditworthy small and medium enterprises and individuals.

ii) Insurance service results

	6 months ended 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000 (Restated)	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000 (Restated)	+ / (-) %
Insurance revenue	3,506	3,847	(8.9)	8,051	6,986	15.2
Insurance service expenses						
- Claims	(2,912)	2,292	NM	(4,816)	618	NM
- Acquisition expenses	(1,638)	(1,412)	16.0	(2,835)	(2,179)	30.1
- Maintenance expenses	(2,977)	(2,453)	21.4	(2,977)	(2,453)	21.4
	(7,527)	(1,573)	NM	(10,628)	(4,014)	164.8
Insurance service results before reinsurance contracts held	(4,021)	2,274	NM	(2,577)	2,972	NM
Net expense from reinsurance contract held	1,875	(3,364)	NM	744	(3,728)	NM
Insurance service results	(2,146)	(1,090)	96.9	(1,833)	(756)	142.5

The higher insurance revenue achieved was attributable to the following two factors:

1. Higher production volume from our alternative distribution and intermediary channels; and
2. Increased number of new agents and brokers onboarded during the year.

In FY2023, the Group managed to grow its total Gross Written Premium ("GWP") by 43% to \$9.8 million, largely from Motor insurance.

In FY2022, the negative claim of \$618k was primarily due to the reversal of the large claim reserves relating to the Bonds and Guarantee and Workmen Injury Compensation businesses which we ceased to write. The claims expense of \$4.8 million was in line with the increased GWP.

The higher acquisition expense (brokerage) is consistent with the increased business volume. Brokerage incurred is recognised immediately instead of amortised throughout insurance coverage since the Group does not adopt a Deferred Acquisitions Cost ("DAC") approach.

iii) Non-interest income

	6 months ended 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000 (Restated)	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000 (Restated)	+ / (-) %
Fee and commission income	3,314	3,401	(2.6)	6,482	6,790	(4.5)
Net investment income	900	(542)	NM	1,979	(153)	NM
Other income	395	615	(35.8)	1,426	1,121	27.2
Non-interest income	4,609	3,474	32.7	9,887	7,758	27.4

Non-interest income increased by \$2.1 million primarily due to a net investment income of \$2.0 million in FY2023, compared to a net investment loss of \$0.2 million in FY2022. The increase was contributed by a payout of \$0.4 million from an investment in a convertible loan during FY2023. Conversely, in FY2022, the Group had to adjust the fair value of the same convertible loan downwards by \$1.3 million.

iv) Operating expenses

Operating expenses increased by \$2.7 million or 14.2% from \$18.6 million in FY2022 to \$21.3 million in FY2023. The increase was due mainly to the following:

- (i) Higher advertising expenses to promote our technology service businesses.
- (ii) Strategic investment spending on a platform tailored to support our Supply Chain Financing business and outlay for reaching out to a wider audience, fostering collaboration and opening doors to new ARP opportunities.
- (iii) Increased staff costs due to cost-of-living adjustments and the hiring of several new roles.
- (iv) Absence of an unrealised exchange gain of \$0.49 million recognised in FY2022.

v) Allowances and impairment – recognition

	6 months ended 31 December			12 months ended 31 December		
	2H FY2023 S\$'000	2H FY2022 S\$'000 (Restated)	+ / (-) %	12M FY2023 S\$'000	12M FY2022 S\$'000 (Restated)	+ / (-) %
Stage 1	132	211	(37.4)	(131)	181	NM
Stage 2	(376)	–	NM	374	68	NM
Stage 3	1,027	646	59.0	1,381	983	40.5
Others	(2)	102	NM	93	46	102.2
Allowances and impairments	781	959	(18.6)	1,717	1,278	34.4

The total allowance was higher due to a restructured account in our Indonesia subsidiary's legacy loan portfolio.

vi) Profit before tax

As a result of the higher interest income derived from the Group's asset-based lending business, the profit before tax has increased by \$0.7 million or 11.1%, reaching \$7.1 million.

Consequently, the profit attributable to shareholders in FY2023 also rose to \$3.4 million, marking an improvement from the \$3.1 million achieved in FY2022.

vii) Financial position as at 31 December 2023

Interest-bearing borrowings increased by \$93.8 million or 55.3% from \$169.5 million as of 31 December 2022 to \$263.3 million as of 31 December 2023. The increase was driven by the augmented net drawdown of bank facilities to support the Group's business growth.

Lending assets including ARP outstanding were \$409.6 million, an increase of 34.7% compared to the base of S\$304.1 million as of 31 December 2022. This growth was induced by a 56.5% rise in loan receivables outstanding as of 31 December 2023.

Insurance contract liabilities increased by \$3.0 million due to higher gross written premiums and accordingly, higher claims liabilities. Meanwhile, reinsurance contract assets increased by \$1.9 million due to the full-year effect of a Motor Reinsurance Quota Share arrangement. In contrast, FY2022 accounted for only three months.

viii) Cash flow

The Group recorded a net cash used in operating activities of \$102.7 million for FY2023 compared to a net cash used in operating activities of \$60.9 million for FY2022, mainly due to a higher amount of loan disbursements.

Net cash generated from investing activities for FY2023 of \$1.6 million was mainly due to the sale proceeds from the disposal of investments.

Net cash generated from financing activities for FY2023 was mostly contributed by proceeds from the drawdown of interest-bearing borrowings.

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 first half year's results announcement released on 11 August 2023.

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.

In the near term, as interest rates settle at a level that is higher than what we have experienced in the past decade, we remain cautious about asset repricing working its way through the global economy and the higher-order impact that it may have on the financial system and business environment.

We will operate with greater prudence and adopt a more forward-looking approach when it comes to client selection, project evaluation and asset valuation even as we build on our loan growth momentum that saw loan assets grow 48.5% from \$195.3 million to \$290.1 million in FY2023.

Our insurance portfolio continues to grow with gross written premium increasing 43% from \$6.8 million to \$9.8 million in FY2023. Despite the growth in gross written premium, we have not yet reached the size of business needed for consistent profitability which is our focus for FY2024. We continue to manage tail risk in our legacy bond portfolio even as we build a new bond strategy focusing on foreign workers and performance bonds for specific target segments.

Despite geopolitical and economic uncertainties, we remain cautiously optimistic and will pursue our organic growth plans as well as inorganic growth opportunities in Singapore and the region.

5. Dividend information

(a) Current Financial Period

Name of Dividend	First and Final
Dividend Type	Cash (Ordinary)
Dividend Rate	0.50 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	0.45 Singapore cents per share
Tax Rate	One-tier tax exempt

(c) Date payable

15 May 2024, subject to the approval of the shareholders for the proposed first and final dividend at the forthcoming Annual General Meeting.

(d) Books closure date

Subject to the approval of the Shareholders for the proposed first and final dividend at the forthcoming Annual General Meeting, the Share Transfer Books and the Register of Members of the Company will be closed on 7 May 2024, to determine shareholders' entitlements to the proposed first and final one-tier tax exempt ordinary cash dividend for the year ended 31 December 2023.

Duly completed and registrable transfers of Shares together with all relevant documents of or evidencing title received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 9 Raffles Place #26-01 Republic Plaza Singapore 048619 up to 5.00 p.m. on 6 May 2024 will be registered to determine shareholders' entitlements to the proposed first and final dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as of 5.00 p.m. on 6 May 2024 will be entitled to the proposed first and final dividend.

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

Not applicable.

7. 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.

8. 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.

9. 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 2.

10. A breakdown of sales as follows:

	FY2023 S\$'000	FY2022 S\$'000 (Restated)	+ / (-) %
<u>First half</u>			
Revenue	15,536	13,084	18.7
Operating profit after tax before deducting non-controlling interests	1,922	1,486	29.3
<u>Second half</u>			
Revenue	14,605	13,265	10.1
Operating profit after tax before deducting non-controlling interests	3,400	3,370	0.9

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

	FY2023 S\$'000	FY2022 S\$'000	+ / (-) %
Ordinary			
First and final	1,880	1,692	11.1
Proposed first and final	–	–	–
Total	1,880	1,692	11.1

12. 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	67	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

27 February 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 full year ended 31 December 2023 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
27 February 2024