



Third Quarter and Nine Months Unaudited Financial Statements and Dividend Announcement for the Period Ended 30 September 2018

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Third Quarter and Nine Months Unaudited Financial Statements and Dividend Announcement for the Period Ended 30 September 2018

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

| | 3 months ended 30 September | | | 9 months ended 30 September | | |
|---|--------------------------------|----------------------|-------------|--------------------------------|----------------------|-------------|
| | 3Q FY2018 S\$'000 | 3Q FY2017 S\$'000 | + /(-) % | 9M FY2018 S\$'000 | 9M FY2017 S\$'000 | + /(-) % |
| Interest income | 7,514 | 6,213 | 20.9 | 20,070 | 18,357 | 9.3 |
| Interest expense | (2,110) | (1,432) | 47.3 | (5,410) | (4,191) | 29.1 |
| Net interest income | 5,404 | 4,781 | 13.0 | 14,660 | 14,166 | 3.5 |
| Gross written premiums | 1,798 | 2,713 | (33.7) | 5,902 | 9,233 | (36.1) |
| Change in gross provision for unexpired risks | 209 | 1,287 | (83.8) | 1,768 | 3,607 | (51.0) |
| Gross earned premium revenue | 2,007 | 4,000 | (49.8) | 7,670 | 12,840 | (40.3) |
| Written premiums ceded to reinsurers | (353) | (801) | (55.9) | (1,508) | (2,552) | (40.9) |
| Reinsurers' share of change in provision for unexpired risks | (321) | (324) | (0.9) | (415) | (998) | (58.4) |
| Reinsurance premium expense | (674) | (1,125) | (40.1) | (1,923) | (3,550) | (45.8) |
| Net earned premium revenue (i) | 1,333 | 2,875 | (53.6) | 5,747 | 9,290 | (38.1) |
| Fee and commission income | 2,003 | 1,830 | 9.5 | 5,870 | 4,919 | 19.3 |
| Investment income | 724 | 2,000 | (63.8) | 2,048 | 3,706 | (44.7) |
| Other income | 60 | 74 | (18.9) | 363 | 273 | 33.0 |
| Sub-total (ii) | 2,787 | 3,904 | (28.6) | 8,281 | 8,898 | (6.9) |
| Non-interest income (i) + (ii) | 4,120 | 6,779 | (39.2) | 14,028 | 18,188 | (22.9) |
| Income before operating expenses | 9,524 | 11,560 | (17.6) | 28,688 | 32,354 | (11.3) |
| Business development expenses | (124) | (128) | (3.1) | (349) | (356) | (2.0) |
| Commission expenses | (497) | (490) | 1.4 | (1,432) | (1,727) | (17.1) |
| Staff costs | (3,426) | (3,334) | 2.8 | (10,057) | (9,774) | 2.9 |
| General and administrative expenses | (1,878) | (1,802) | 4.2 | (4,884) | (5,290) | (7.7) |
| Operating expenses | (5,925) | (5,754) | 3.0 | (16,722) | (17,147) | (2.5) |
| Change in provision for insurance claims | 2,445 | (2,279) | NM | (1,267) | (4,598) | (72.4) |
| Reinsurers' share of change in provision for insurance claims | (1,038) | 2 | NM | 969 | (310) | NM |
| Gross claims paid | (4,385) | (5,050) | (13.2) | (7,500) | (8,004) | (6.3) |
| Reinsurers' share of claims paid | 1,642 | 2,894 | (43.3) | 1,672 | 3,217 | (48.0) |
| Net claims incurred | (1,336) | (4,433) | (69.9) | (6,126) | (9,695) | (36.8) |
| Operating profit before allowances | 2,263 | 1,373 | 64.8 | 5,840 | 5,512 | 6.0 |
| Allowances for loan losses and impairment of other assets | 427 | (535) | NM | (391) | (2,838) | (86.2) |
| Profit before tax | 2,690 | 838 | NM | 5,449 | 2,674 | 103.8 |
| Tax expense | (811) | (714) | 13.6 | (2,218) | (1,616) | 37.3 |
| Profit for the period | 1,879 | 124 | NM | 3,231 | 1,058 | NM |
| Profit attributable to: | | | | | | |
| Owners of the Company | 1,339 | (333) | NM | 1,806 | (212) | NM |
| Non-controlling interests | 540 | 457 | 18.2 | 1,425 | 1,270 | 12.2 |
| Profit for the period | 1,879 | 124 | NM | 3,231 | 1,058 | NM |

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

| Note | 3 months ended 30 September | | | 9 months ended 30 September | | |
|--|--------------------------------|----------------|-----------|--------------------------------|--------------|-----------|
| | 3Q FY2018 | 3Q FY2017 | + /(-) | 9M FY2018 | 9M FY2017 | + /(-) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Profit for the period | 1,879 | 124 | NM | 3,231 | 1,058 | NM |
| Other comprehensive income | | | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | | | |
| Net change in fair value of financial assets at FVOCI | (i) 57 | - | NM | (431) | - | NM |
| Net change in fair value of available-for-sale financial assets | (i) - | 408 | NM | - | 598 | NM |
| Net change in fair value of available-for-sale financial assets reclassified to profit or loss | (ii) 4 | (1,667) | NM | 7 | (1,667) | NM |
| Foreign currency translation differences of foreign operations | (ii) 922 | 5 | NM | 1,158 | 171 | NM |
| Tax on other comprehensive income | - | 199 | NM | - | 182 | NM |
| | 983 | (1,055) | NM | 734 | (716) | NM |
| Other comprehensive income for the period, net of tax | 983 | (1,055) | NM | 734 | (716) | NM |
| Total comprehensive income for the period | 2,862 | (931) | NM | 3,965 | 342 | NM |
| Attributable to: | | | | | | |
| Owners of the Company | 1,974 | (1,419) | NM | 2,120 | (1,052) | NM |
| Non-controlling interests | 888 | 488 | 82.0 | 1,845 | 1,394 | 32.4 |
| | 2,862 | (931) | NM | 3,965 | 342 | NM |

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

Notes:

- (i) Net change in fair value of financial assets was mainly due to mark-to-market (loss)/gain on debt securities.
- (ii) Foreign currency translation differences of foreign operations arose mainly from the translation of financial statements of foreign operations whose functional currencies are Thai Baht, Malaysian Ringgit and Indonesian Rupiah.

The significant gain from foreign currency translation differences of foreign operations in 3Q FY18 and 9M FY18 arose mainly due to the appreciation of Thai Bath against Singapore Dollar by 2.4% since June 2018 and strengthen by 2.9% since December 2017.

Exchange rates for the respective reporting period were as follows:

| | 30-Sep 2018 | 30-Jun 2018 | 31-Dec 2017 | 30-Sep 2017 | 30-Jun 2017 |
|-----------------|----------------|----------------|----------------|----------------|----------------|
| THB against SGD | 23.697 | 24.272 | 24.390 | 24.570 | 24.631 |
| MYR against SGD | 3.0276 | 2.9551 | 3.0331 | 3.1124 | 3.1124 |
| IDR against SGD | 10,908 | 10,524 | 10,121 | 9,929 | 9,660 |

1(a)(ii)

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

| | 3 months ended 30 September | | | 9 months ended 30 September | | |
|---|--------------------------------|----------------------|---------------|--------------------------------|----------------------|---------------|
| | 3Q FY2018 S\$'000 | 3Q FY2017 S\$'000 | + /(-) % | 9M FY2018 S\$'000 | 9M FY2017 S\$'000 | + /(-) % |
| Investment income | | | | | | |
| - dividend, fee and interest income | 378 | 427 | (11.5) | 1,583 | 1,545 | 2.5 |
| - (loss)/gain on disposal of equity securities | (112) | 42 | NM | (38) | 501 | NM |
| - gain on partial redemption of convertible loan | 338 | 1,667 | (79.7) | 976 | 1,667 | (41.5) |
| - net change in fair value of financial assets at fair value through profit or loss | 212 | 23 | NM | (394) | 461 | NM |
| - amortisation of held-to-maturity debt securities | (8) | (11) | (27.3) | (31) | (42) | (26.2) |
| - exchange loss | (84) | (148) | (43.2) | (48) | (426) | (88.7) |
| | <u>724</u> | <u>2,000</u> | <u>(63.8)</u> | <u>2,048</u> | <u>3,706</u> | <u>(44.7)</u> |
| Gain on disposal of property, plant and equipment | 2 | - | NM | 53 | - | NM |
| Amortisation of intangible assets | (81) | (90) | (10.0) | (240) | (318) | (24.5) |
| Depreciation of property, plant and equipment | (294) | (291) | 1.0 | (869) | (877) | (0.9) |
| Foreign currency differences | | | | | | |
| - exchange loss | (176) | (142) | 23.9 | (160) | (206) | (22.3) |
| - realised gain on foreign exchange contracts | - | - | NM | 8 | - | NM |
| - fair value gain on foreign exchange forward contracts | 41 | - | NM | - | - | NM |
| | <u>(508)</u> | <u>(523)</u> | <u>(2.9)</u> | <u>(1,208)</u> | <u>(1,401)</u> | <u>(13.8)</u> |
| Reversal of/(provision for) unexpired risks, net of reinsurers' share | | | | | | |
| - change in gross provision for unexpired risks | 209 | 1,287 | (83.8) | 1,768 | 3,607 | (51.0) |
| - reinsurers' share of change in provision for unexpired risks | (321) | (324) | (0.9) | (415) | (998) | (58.4) |
| | <u>(112)</u> | <u>963</u> | <u>NM</u> | <u>1,353</u> | <u>2,609</u> | <u>(48.1)</u> |
| Claims incurred, net of reinsurers' share | | | | | | |
| - net of change in provision for insurance claims | 1,407 | (2,277) | NM | (298) | (4,908) | (93.9) |
| - net claims paid | (2,743) | (2,156) | 27.2 | (5,828) | (4,787) | 21.7 |
| | <u>(1,336)</u> | <u>(4,433)</u> | <u>(69.9)</u> | <u>(6,126)</u> | <u>(9,695)</u> | <u>(36.8)</u> |

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

| | 3 months ended | | | 9 months ended | | |
|---|----------------|--------------|--------|----------------|----------------|--------|
| | 30 September | | | 30 September | | |
| | 3Q FY2018 | 3Q FY2017 | + /(-) | 9M FY2018 | 9M FY2017 | + /(-) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Reversal of/(allowance for) loan losses and impairment of investments | | | | | | |
| - stage 1 provision | (24) | - | NM | 72 | - | NM |
| - stage 2 provision | 438 | - | NM | 230 | - | NM |
| - stage 3 provision | 240 | - | NM | (388) | - | NM |
| - collective provision - loans and receivables | - | 45 | NM | - | 276 | NM |
| - specific provision - loans and receivables | - | 170 | NM | - | (1,160) | NM |
| - specific provision - interest accrual on non-performing accounts | - | (597) | NM | - | (1,728) | NM |
| - insurance and other receivables | (227) | (153) | 48.4 | (305) | (226) | 35.0 |
| | <u>427</u> | <u>(535)</u> | NM | <u>(391)</u> | <u>(2,838)</u> | (86.2) |
| Tax expenses | | | | | | |
| - current tax expense | (528) | (360) | 46.7 | (1,461) | (1,231) | 18.7 |
| - deferred tax expense | (283) | (354) | (20.1) | (695) | (385) | 80.5 |
| - underprovision of prior years' tax | 1 | - | NM | (61) | (61) | - |
| | <u>(810)</u> | <u>(714)</u> | 13.4 | <u>(2,217)</u> | <u>(1,677)</u> | 32.2 |

1(b)(i) A statement of financial position (for the group and issuer), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | | Company | |
|--|----------------------|------------------------------------|----------------------------------|----------------------|-----------------------|
| | 30/9/2018 S\$'000 | 31/12/2017 S\$'000 Restated* | 1/1/2017 S\$'000 Restated* | 30/9/2018 S\$'000 | 31/12/2017 S\$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 16,167 | 14,893 | 15,697 | 12,996 | 13,342 |
| Intangible assets | 671 | 465 | 588 | 348 | 119 |
| Investment properties | 2,139 | 3,756 | 3,914 | - | - |
| Subsidiaries | - | - | - | 88,563 | 86,897 |
| Other investments | 48,731 | 54,377 | 49,194 | 6,352 | 5,262 |
| Loans, advances, hire purchase and leasing receivables | 81,988 | 54,841 | 43,004 | 64,105 | 44,513 |
| Deferred tax assets | 4,875 | 5,308 | 5,434 | 126 | 391 |
| | 154,571 | 133,640 | 117,831 | 172,490 | 150,524 |
| Current assets | | | | | |
| Reinsurers' share of insurance contract provisions | 4,204 | 3,649 | 7,047 | - | - |
| Insurance receivables | 1,998 | 1,225 | 1,933 | - | - |
| Loans, advances, hire purchase and leasing receivables | 111,468 | 52,482 | 61,685 | 26,246 | 39,720 |
| Trade and other receivables | 172,048 | 169,334 | 153,681 | 114,324 | 52,665 |
| Other investments | 11,894 | 15,622 | 29,542 | 492 | 659 |
| Cash and cash equivalents | 36,770 | 35,064 | 33,724 | 8,555 | 12,163 |
| | 338,382 | 277,376 | 287,612 | 149,617 | 105,207 |
| Total assets | 492,953 | 411,016 | 405,443 | 322,107 | 255,731 |
| Equity | | | | | |
| Share capital | 137,302 | 137,302 | 137,302 | 137,302 | 137,302 |
| Other reserves | 887 | 3,982 | 4,701 | - | 379 |
| Accumulated profits | 14,805 | 11,007 | 9,004 | 25,576 | 24,696 |
| Equity attributable to owners of the Company | 152,994 | 152,291 | 151,007 | 162,878 | 162,377 |
| Non-controlling interests | 14,970 | 14,024 | 12,618 | - | - |
| Total equity | 167,964 | 166,315 | 163,625 | 162,878 | 162,377 |
| Non-current liabilities | | | | | |
| Interest-bearing borrowings | 17,895 | 9,412 | 13,033 | 3,000 | 4,000 |
| Employee benefits | 1,300 | 1,145 | 1,118 | - | - |
| Deferred tax liabilities | 566 | 375 | 339 | - | - |
| | 19,761 | 10,932 | 14,490 | 3,000 | 4,000 |
| Current liabilities | | | | | |
| Trade and other payables | 12,147 | 10,894 | 11,540 | 6,386 | 5,444 |
| Insurance payables | 2,183 | 1,967 | 2,273 | - | - |
| Interest-bearing borrowings | 269,107 | 198,377 | 187,390 | 149,827 | 83,894 |
| Insurance contract provisions for - gross unexpired risks | 8,262 | 10,029 | 15,756 | - | - |
| - gross unexpired claims | 12,977 | 11,710 | 9,824 | - | - |
| Current tax payable | 552 | 792 | 545 | 16 | 16 |
| | 305,228 | 233,769 | 227,328 | 156,229 | 89,354 |
| Total liabilities | 324,989 | 244,701 | 241,818 | 159,229 | 93,354 |
| Total equity and liabilities | 492,953 | 411,016 | 405,443 | 322,107 | 255,731 |

* The consolidated statement of financial position as at 1 January and 31 December 2017 have been restated as a result of the adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)").

Please refer to Paragraph 5 of this announcement for the restatement of the consolidated statement of financial position as a result of the adoption of SFRS(I).

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

| | Unsecured | |
|--|-------------------------|------------------------|
| | As at 30-Sept-18 | As at 31-Dec-17 |
| | S\$'000 | S\$'000 |
| Amount repayable in one year or less, or on demand | 269,107 | 198,377 |
| Amount repayable after one year | 17,895 | 9,412 |
| | 287,002 | 207,789 |

Details of any collateral

Nil

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | 3 months ended | | 9 months ended | |
|---|-----------------|----------------|------------------|-----------------|
| | 3Q FY2018 | 3Q FY2017 | 9M FY2018 | 9M FY2017 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Profit for the period | 1,879 | 124 | 3,231 | 1,058 |
| Adjustments for: | | | | |
| Amortisation of intangible assets and held-to-maturity debt securities | 100 | 101 | 282 | 360 |
| Net foreign exchange loss/(gain) | 415 | (40) | 399 | (28) |
| Depreciation of property, plant and equipment | 284 | 291 | 859 | 877 |
| Loss/(gain) on disposal of equity securities | 112 | (42) | 38 | (501) |
| Gain on partial redemption of convertible loans | (338) | (1,667) | (976) | (1,667) |
| Gain on disposal of property, plant and equipment | (2) | - | (53) | - |
| Net change in fair value of financial assets at fair value through profit or loss | (249) | (23) | 357 | (461) |
| (Reversal of)/provision for, net of reinsurers' share | | | | |
| - unexpired risks | 2,289 | (963) | (1,354) | (2,609) |
| - insurance claims | (3,584) | 2,277 | 299 | 4,908 |
| Interest income | (7,514) | (6,213) | (20,070) | (18,357) |
| Interest income from investments and fixed deposits | (1,129) | (332) | (1,705) | (944) |
| Dividend income from investments | (109) | (94) | (737) | (601) |
| Interest expense | 2,110 | 1,432 | 5,410 | 4,191 |
| Fixed assets written off | 13 | - | 13 | - |
| Tax expense | 808 | 714 | 2,217 | 1,616 |
| Operating cash flows before changes in working capital | (4,915) | (4,435) | (11,790) | (12,158) |
| Changes in working capital | | | | |
| Factoring receivables | (6,577) | (2,837) | (9,036) | (8,792) |
| Factoring amounts due to clients | 2,701 | (616) | 6,296 | (1,535) |
| Loans, advances, hire purchase and lease receivables | (29,382) | 4,583 | (86,926) | 82 |
| Insurance and other receivables | (1) | (179) | (68) | 448 |
| Trade, other and insurance payables | 3,554 | 822 | 1,182 | 1,039 |
| Cash used in operations | (34,620) | (2,662) | (100,342) | (20,916) |
| Interest received | 8,662 | 6,563 | 21,816 | 19,372 |
| Interest paid | (1,836) | (1,412) | (4,963) | (4,141) |
| Taxes paid, net | (931) | (903) | (1,721) | (1,406) |
| Net cash (used in)/generated from operating activities | (28,725) | 1,586 | (85,210) | (7,091) |

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

| | 3 months ended 30 September | | 9 months ended 30 September | |
|---|--------------------------------|----------------------|--------------------------------|----------------------|
| | 3Q FY2018 S\$'000 | 3Q FY2017 S\$'000 | 9M FY2018 S\$'000 | 9M FY2017 S\$'000 |
| Cash flows from investing activities | | | | |
| Proceeds from sale of property, plant and equipment | 3 | - | 54 | 1 |
| Purchase of property, plant and equipment | (239) | 5 | (402) | (53) |
| Purchase of intangible assets | (134) | (32) | (457) | (132) |
| Purchase of investments | (5,594) | (10,837) | (14,080) | (41,630) |
| Proceeds from disposal of investments | 7,861 | 18,290 | 23,540 | 51,465 |
| Dividend received from investments | 109 | 94 | 737 | 601 |
| Net cash generated from investing activities | 2,006 | 7,520 | 9,392 | 10,252 |
| Cash flows from financing activities | | | | |
| Dividends paid | | | | |
| - by the Company | - | - | (1,128) | - |
| - by a subsidiary company to non-controlling interests | - | - | (849) | (511) |
| Proceeds from interest-bearing borrowings | 21,523 | (6,955) | 79,213 | 4,399 |
| Net cash generated from/(used in) financing activities | 21,523 | (6,955) | 77,236 | 3,888 |
| Net increase in cash and cash equivalents | (5,196) | 2,151 | 1,418 | 7,049 |
| Cash and cash equivalents at beginning of period | 41,727 | 38,688 | 35,064 | 33,724 |
| Effect of exchange rate fluctuations on cash held | 239 | 19 | 288 | 85 |
| Cash and cash equivalents at end of period | 36,770 | 40,858 | 36,770 | 40,858 |
| Analysis of cash and cash equivalents | | | | |
| Fixed deposits | 10,711 | 19,374 | 10,711 | 19,374 |
| Cash at banks and on hand | 26,059 | 21,484 | 26,059 | 21,484 |
| Cash and cash equivalents at end of period | 36,770 | 40,858 | 36,770 | 40,858 |

1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Group 2018 | 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 | Fair value reserve S\$'000 | Translation reserve S\$'000 | Accumulated profits S\$'000 | | | |
| At 31 December 2017, as previously stated | 137,302 | 108 | 3,458 | (6,936) | 18,359 | 152,291 | 14,024 | 166,315 |
| Impact on the adoption of SFRS(I) 1 | - | - | - | 7,352 | (7,352) | - | - | - |
| At 31 December 2017, as restated | 137,302 | 108 | 3,458 | 416 | 11,007 | 152,291 | 14,024 | 166,315 |
| Impact on the adoption of SFRS(I) 9 | - | - | (3,409) | - | 3,120 | (289) | (50) | (339) |
| At 1 January 2018, as restated | 137,302 | 108 | 49 | 416 | 14,127 | 152,002 | 13,974 | 165,976 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | - | - | - | 1,806 | 1,806 | 1,425 | 3,231 |
| <i>Other comprehensive income</i> | | | | | | | | |
| Foreign currency translation differences | - | - | - | 738 | - | 738 | 420 | 1,158 |
| Net change in fair value of financial assets at FVOCI | - | - | (431) | - | - | (431) | - | (431) |
| Net change in fair value of financial assets at FVOCI reclassified to profit or loss | - | - | 7 | - | - | 7 | - | 7 |
| Defined benefit plan remeasurements | - | - | - | - | - | - | - | - |
| Tax on other comprehensive income | - | - | - | - | - | - | - | - |
| <i>Total other comprehensive income</i> | - | - | (424) | 738 | - | 314 | 420 | 734 |
| Total comprehensive income for the period | - | - | (424) | 738 | 1,806 | 2,120 | 1,845 | 3,965 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Dividends paid to owners of the Company | - | - | - | - | (1,128) | (1,128) | - | (1,128) |
| Total contributions by and distributions to owners | - | - | - | - | (1,128) | (1,128) | - | (1,128) |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Dividends paid by a subsidiary company to non-controlling interests | - | - | - | - | - | - | (849) | (849) |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | - | (849) | (849) |
| Total transactions with owners | - | - | - | - | (1,128) | (1,128) | (849) | (1,977) |
| At 30 September 2018 | 137,302 | 108 | (375) | 1,154 | 14,805 | 152,994 | 14,970 | 167,964 |

1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
(Continued)

| Group | Attributable to owners of the Company | | | | | Total | Non-controlling interests | Total equity |
|--|--|------------------------|---------------------------|----------------------------|----------------------------|----------------|----------------------------------|---------------------|
| | Share capital | Capital reserve | Fair value reserve | Translation reserve | Accumulated profits | | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2017 | | | | | | | | |
| At 1 January 2017, as previously stated | 137,302 | 38 | 4,663 | (7,352) | 16,356 | 151,007 | 12,618 | 163,625 |
| Impact on the adoption of SFRS(I) 1 | - | - | - | 7,352 | (7,352) | - | - | - |
| At 1 January 2017, as restated | 137,302 | 38 | 4,663 | - | 9,004 | 151,007 | 12,618 | 163,625 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | - | - | - | (212) | (212) | 1,270 | 1,058 |
| <i>Other comprehensive income</i> | | | | | | | | |
| Foreign currency translation differences | - | - | - | 48 | - | 48 | 123 | 171 |
| Net change in fair value of available-for-sale financial assets | - | - | 598 | - | - | 598 | - | 598 |
| Net change in fair value of financial assets at FVOCI reclassified to profit or loss | - | - | (1,667) | - | - | (1,667) | - | (1,667) |
| Tax on other comprehensive income | - | - | 182 | - | - | 182 | - | 182 |
| <i>Total other comprehensive income</i> | - | - | (887) | 48 | - | (839) | 123 | (716) |
| Total comprehensive income for the period | - | - | (887) | 48 | (212) | (1,051) | 1,393 | 342 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Dividends paid by a subsidiary company to non-controlling interests | - | - | - | - | - | - | (511) | (511) |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | - | (511) | (511) |
| Total transactions with owners | - | - | - | - | - | - | (511) | (511) |
| At 30 September 2017 | 137,302 | 38 | 3,776 | 48 | 8,792 | 149,956 | 13,500 | 163,456 |

1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
(Continued)

| <u>Company</u> | Share capital S\$'000 | Fair value reserve S\$'000 | Accumulated profits S\$'000 | Total equity S\$'000 |
|--|--------------------------------------|---|--|-------------------------------------|
| 2018 | | | | |
| At 31 December 2017 | 137,302 | 379 | 24,696 | 162,377 |
| Impact on the adoption of SFRS(I) 9 | - | (379) | 276 | (103) |
| At 1 January 2018 | 137,302 | - | 24,972 | 162,274 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 604 | 604 |
| Total comprehensive income for the period | - | - | 604 | 604 |
| At 30 September 2018 | 137,302 | - | 25,576 | 162,878 |
| 2017 | | | | |
| At 1 January 2017 | 137,302 | 978 | 21,140 | 159,420 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 3,050 | 3,050 |
| <i>Other comprehensive income</i> | | | | |
| Net change in fair value of available-for-sale financial assets | - | (75) | - | (75) |
| Net change in fair value of financial assets at FVOCI reclassified to profit or loss | - | (1,249) | - | (1,249) |
| Tax on other comprehensive income | - | 225 | - | 225 |
| <i>Total other comprehensive income</i> | - | (1,099) | - | (1,099) |
| Total comprehensive income for the period | - | (1,099) | 3,050 | 1,951 |
| At 30 September 2017 | 137,302 | (121) | 24,190 | 161,371 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

| | Number of Ordinary Shares (excluding Treasury Shares) | |
|---|--|------------------------------|
| | As at 30 Sep 2017 | As at 31 Dec 2017 |
| Balance at beginning and end of the period | 375,969,665 | 375,969,665 |

There were no outstanding convertibles as at 30 September 2018 and 31 December 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2018 and 31 December 2017, the issued and paid up share capital excluding treasury shares of the Company comprised of 375,969,665 (30 September 2017: 375,969,665) ordinary shares.

The Company does not hold any treasury shares as at 30 September 2018, 31 December 2017 and 30 September 2017.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

During the current financial period reported on, there were no purchases, sales, transfers, disposal, cancellation and/or use of subsidiary holdings.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Group's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

In December 2017 the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) ("SFRS(I)") which comprises of standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") at 31 December 2017. Singapore-incorporated companies listed on the Singapore Exchange shall apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As a result of the Group's adoption of SFRS(I), the consolidated statement of financial position and consolidated statement of changes in equity as at 1 January 2017 and 31 December 2017 have been restated. The adoption of SFRS(I) and their impact on the financial statements are detailed in the Paragraph 5.

Other than the adoption of the new framework and the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2017 which was prepared under Singapore Financial Reporting Standards ("SFRS").

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Prior year adjustment in accordance with SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)*

The Financial Statements for FY2017 has been restated to reflect the effects of resetting the cumulative Foreign Currency Translation Reserve ("FCTR"). The Group considered that restating FCTR to comply with SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* may not be practicable as certain acquisitions and disposals were transacted at dates that preceded the statutory record keeping periods, and has elected the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

Opening balance adjustment in accordance with adoption of SFRS(I) 9 *Financial Instruments*

The opening balance for FY2018 has been adjusted to reflect the effects of adopting the new classification and measurement model for financial instruments and the effects of replacing impairment models. In our situation, the 'incurred loss' model previously used with a forward-looking expected credit loss ("ECL") model. Changes in accounting policies resulting from the adoption of accounting standards will generally be applied by the Group retrospectively. However, the Group decided to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption were recognised in retained earnings.

The Group adopted the forward-looking ECL model using a "three stage" model approach based on changes in credit quality as follows:

- Stage 1 – Financial instruments that have not had a significant deterioration in credit quality;
- Stage 2 – Financial instruments that have had a significant increase in credit risk since initial recognition; and
- Stage 3 – Financial assets that have objective evidence of impairment.

Loss allowances for Stage 1 financial assets were based on 12-month ECLs (result from possible default events within the 12 months after the reporting date) while loss allowances for Stage 2 and Stage 3 financial assets were based on lifetime ECLs (result from all possible default events over the expected life of a financial instrument).

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**
(Continued)

Consequential to resetting the cumulative FCTR as at 1 January 2017 determined in accordance with SFRS(I) and the effects of the adjustments arising from the adoption of SFRS(I) 9 to the opening balances, the effects on the Consolidated Statement of Financial Position are as follows:

| | 31-Dec-17 SFRS Framework S\$'000 Audited | 31-Dec-17 SFRS(I) 1 Note (1) S\$'000 | 31-Dec-17 SFRS(I) Framework S\$'000 (Restated) | 1-Jan-18 SFRS(I) 9 Note (2) S\$'000 | 1-Jan-18 SFRS(I) 9 Note (3) S\$'000 | 1-Jan-18 SFRS(I) Framework S\$'000 |
|---|--|---|--|--|--|---|
| Non-current assets | | | | | | |
| Loans, advances, hire purchase and leasing | 54,841 | - | 54,841 | - | (51) | 54,790 |
| Others | 78,799 | - | 78,799 | - | - | 78,799 |
| | 133,640 | - | 133,640 | - | (51) | 133,589 |
| Current assets | | | | | | |
| Loans, advances, hire purchase and leasing | 52,482 | - | 52,482 | - | (840) | 51,642 |
| Factoring receivables | 166,927 | - | 166,927 | - | 552 | 167,479 |
| Others | 57,967 | - | 57,967 | - | - | 57,967 |
| | 277,376 | - | 277,376 | - | (288) | 277,088 |
| Total assets | 411,016 | - | 411,016 | - | (339) | 410,677 |
| Equity | | | | | | |
| Share capital | 137,302 | - | 137,302 | - | - | 137,302 |
| Other reserves | (3,370) | 7,352 | 3,982 | (3,409) | - | 573 |
| Accumulated profits | 18,359 | (7,352) | 11,007 | 3,409 | (289) | 14,127 |
| Equity attributable to owners of the Company | 152,291 | - | 152,291 | - | (289) | 152,002 |
| Non-controlling interests | 14,024 | - | 14,024 | - | (50) | 13,974 |
| Total equity | 166,315 | - | 166,315 | - | (339) | 165,976 |
| Non-current liabilities | 10,932 | - | 10,932 | - | - | 10,932 |
| Current liabilities | 233,769 | - | 233,769 | - | - | 233,769 |
| Total liabilities | 244,701 | - | 244,701 | - | - | 244,701 |
| Total equity and liabilities | 411,016 | - | 411,016 | - | (339) | 410,677 |

(1) Adjustment to foreign currency translation reserve under SFRS(I) 1.

(2) Adjustment to accumulated profits due to reclassification of other investments under SFRS(I) 9.

(3) Adjustment to accumulated profits due to new ECL model under SFRS(I) 9.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**
(Continued)

The effects of the adjustments arising from the adoption of SFRS(I) 9 to the opening balances on the Company's Statement of Financial Position are as follows:

| | 31-Dec-17 SFRS Framework S\$'000 Audited | 1-Jan-18 SFRS(I) 9 Note (4) S\$'000 | 1-Jan-18 SFRS(I) 9 Note (5) S\$'000 | 1-Jan-18 SFRS(I) Framework S\$'000 |
|--|--|--|--|---|
| Non-current assets | | | | |
| Loans, advances, hire purchase and leasing receivables | 44,513 | - | (5) | 44,508 |
| Others | 106,011 | - | - | 106,011 |
| | 150,524 | - | (5) | 150,519 |
| Current assets | | | | |
| Loans, advances, hire purchase and leasing receivables | 39,720 | - | (196) | 39,524 |
| Factoring receivables | 24,668 | - | 98 | 24,766 |
| Others | 40,819 | - | - | 40,819 |
| | 105,207 | - | (98) | 105,109 |
| Total assets | 255,731 | - | (103) | 255,628 |
| Equity | | | | |
| Share capital | 137,302 | - | - | 137,302 |
| Other reserves | 379 | (379) | - | - |
| Accumulated profits | 24,696 | 379 | (103) | 24,972 |
| Total equity | 162,377 | - | (103) | 162,274 |
| Non-current liabilities | 4,000 | - | - | 4,000 |
| Current liabilities | 89,354 | - | - | 89,354 |
| Total liabilities | 93,354 | - | - | 93,354 |
| Total equity and liabilities | 255,731 | - | (103) | 255,628 |

(4) Adjustment to accumulated profits due to reclassification of other investments under SFRS(I) 9.

(5) Adjustment to accumulated profits due to new ECL model under SFRS(I) 9.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:—

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

| Earnings Per Ordinary Share | 3 months ended 30 September | | 9 months ended 30 September | |
|--|--------------------------------|--------------------|--------------------------------|--------------------|
| | 3Q FY2018 | 3Q FY2017 | 9M FY2018 | 9M FY2017 |
| - on weighted-average number of ordinary shares in issue | 0.36 cents | (0.09) cents | 0.48 cents | (0.06) cents |
| - on fully diluted basis | 0.36 cents | (0.09) cents | 0.48 cents | (0.06) cents |
| Net profit/(loss) attributable to shareholders: | \$1,339,000 | \$(333,000) | \$1,806,000 | \$(212,000) |
| Number of shares in issue | | | | |
| - on weighted-average number of ordinary shares in issue | 375,969,665 | 375,969,665 | 375,969,665 | 375,969,665 |
| - on fully diluted basis | 375,969,665 | 375,969,665 | 375,969,665 | 375,969,665 |

The basic and fully diluted loss per ordinary share are the same as the Group did not have any potential dilutive ordinary share outstanding for the above reporting financial periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—

- (a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 30-Sept-18 | 31-Dec-17 | 30-Sept-18 | 31-Dec-17 |
| Net Asset Value (NAV) per ordinary share | 40.7 cents | 40.5 cents | 43.3 cents | 43.2 cents |
| NAV computed based on no. of ordinary shares issued | 375,969,665 | 375,969,665 | 375,969,665 | 375,969,665 |

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

Net interest income

Upon the adoption of SFRS(I) 9 at the beginning of current financial year, the Group has ceased recognition of interest income arising from NPLs.

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

| | 3 months ended 30 September | | | 9 months ended 30 September | | |
|---------------------------------------|--------------------------------|----------------------|-------------|--------------------------------|----------------------|-------------|
| | 3Q FY2018 S\$'000 | 3Q FY2017 S\$'000 | + /(-) % | 9M FY2018 S\$'000 | 9M FY2017 S\$'000 | + /(-) % |
| Factoring | 3,676 | 3,347 | 9.8 | 10,771 | 9,741 | 10.6 |
| Loans, advances, hire purchase | 3,690 | 2,126 | 73.6 | 8,882 | 6,245 | 42.2 |
| Facility fee | 148 | 47 | NM | 417 | 230 | 81.3 |
| Interest income excluding NPLs | 7,514 | 5,520 | 36.1 | 20,070 | 16,216 | 23.8 |
| Non-performing loans (NPLs) | - | 693 | NM | - | 2,141 | NM |
| Interest income | 7,514 | 6,213 | 20.9 | 20,070 | 18,357 | 9.3 |
| Interest expense | (2,110) | (1,432) | 47.3 | (5,410) | (4,191) | 29.1 |
| Net interest income | 5,404 | 4,781 | 13.0 | 14,660 | 14,166 | 3.5 |

Interest income continues to grow in the third quarter 2018 ("3Q FY2018").

The improvement of 36% in interest income compared to the corresponding period in 2017 ("3Q FY2017") was largely due to the higher interest income earned from the Loans portfolio resultant from the increase in the loan books. Total new loans totaling \$35.6 million were disbursed in the quarter under review.

For the 9 months ended 30 September 2018 ("9M FY2018"), our Factoring volume increased by \$105 million when compared to the corresponding period in 2017 ("9M FY2017") hence an increase of 11% in interest income from Factoring.

Consequential to the strong performance attained in the 3 quarters of FY2018, the Group recorded an overall growth of 24% in interest income (excluding NPLs) for 9M FY2018 compared to 9M FY2017.

With the higher disbursement of loans and factoring volume in 9M FY2018, the Group's borrowings also increased by \$80 million compared to 31 December 2017 and as a result interest expenses surged by 47% to \$2.11 million in 3Q FY2018 and 29% to \$5.4 million in 9M FY2018.

Besides the increase in borrowings, the several interest rates hike in Indonesia has also caused the borrowing rate in our Indonesia subsidiary to move up.

Despite the higher cost of borrowings, the Group managed to improve its Net Interest Margin ("NIM") from 6.3% in 3Q FY2017 to 6.48% in 3Q FY 2018 and from 6.2% for 9M FY2017 to 6.54% for 9M FY2018; due to the higher business volume in the Loans portfolio.

Non-interest income

Non-interest income fell by 39% to \$4.1 million in 3Q FY2018 and 23% to \$14 million in 9M FY2018 when compared to the corresponding periods; largely due to lower net earned premium and investment income.

Production across all lines of business, with the exception of Maid Insurance and Personal Accident, was lower than prior year largely due to more stringent underwriting standards being implemented to better manage our loss experience.

Compared to 3Q FY2017 and 9M FY2017, investment income decreased by 64% and 45% respectively, resultant from lower redemption of convertible loans, loss on disposal of equities and coupled by fair value loss of investments.

Operating expenses

Total operating expenses for 3Q FY2018 were 3% higher when compared to 3Q FY2017 but for 9M FY2018 it decreased slightly (3%) when compared to corresponding period due to the drop in commission expenses which is in line with lower production achieved in the Insurance business.

Net claims incurred

Excluding the bond call of \$1.2 million paid in 3Q FY2017, net claims incurred in 3Q FY2018 were \$1.9 million lower compared to corresponding quarter, largely due to the lower net claims incurred in Motor insurance following the cessation of the Uber and private-hire Motor insurance in June/July 2017.

Besides the absence of that bond call of \$1.2 million paid in 3Q FY2017, the lower reserving for Motor insurance also contributed to the reduced Net Claims for 9M FY2018.

Allowances and Impairments

| | 3 months ended 30 September | | | 9 months ended 30 September | | |
|-----------------------------------|--------------------------------|----------------------|--------------|--------------------------------|----------------------|---------------|
| | 3Q FY2018 S\$'000 | 3Q FY2017 S\$'000 | + / (-) % | 9M FY2018 S\$'000 | 9M FY2017 S\$'000 | + / (-) % |
| Stage 1 | 24 | - | NM | (72) | - | NM |
| Stage 2 | (438) | - | NM | (230) | - | NM |
| Stage 3 | (240) | - | NM | 388 | - | NM |
| Specific provision | - | 427 | NM | - | 2,888 | NM |
| - on principals | - | (170) | NM | - | 1,160 | NM |
| - on interests | - | 597 | NM | - | 1,728 | NM |
| Collective provision | - | (45) | NM | - | (276) | NM |
| Others | 227 | 153 | 48.4 | 305 | 226 | 35.0 |
| Allowances and Impairments | (427) | 535 | NM | 391 | 2,838 | (86.2) |

The reversal of provisions in 3Q FY2018 arose due to recoveries from NPL accounts and reclassification of certain accounts out from Stage 2.

Profit before tax

Consequent to the higher interest income earned in 3Q FY2018, operating expenses remained flat and lower net claims incurred, the Group recorded a pre-tax profit of \$2.7 million, a vast improvement of 220%.

For 9M FY2018, pre-tax profits doubled to \$5.4 million whilst profit attributable to shareholders was \$1.8 million versus a loss attributable to shareholders of \$0.2 million in the corresponding period.

Review of Financial Position as at 30 September 2018

During the quarter under review, the Group reclassified 2 office units owned by the subsidiary in Thailand from Investment properties to Property, plant and equipment following the change in purpose from investment to owner-occupation.

The change in purpose from leasing to own use was necessary resulting from the expansion in business.

With the completion of additional capital injection into the subsidiary in Indonesia in August, investment in subsidiaries increased by \$1.7 million.

Gross lending assets including factoring receivables outstanding were \$363 million, an increase of 26% when compared against the base of \$269 million as at 30 September 2017. The higher loan portfolio was contributed by the strong growth in the Group's Lending business.

Correspondingly the Group's overall interest-bearing borrowings increased from \$208 million as at 31 December 2017 to \$287 million as at 30 September 2018.

Despite the increase in lending assets and borrowings from the banks, the Group managed to achieve a current ratio of 1.11 times.

Cash flows used in operating activities

The Group recorded a net cash outflow of \$28.7 million for 3Q FY2018 and \$85.2 million for 9M FY2018 compared to net cash inflow of \$1.6 million and net cash outflow of \$7.1 million against the corresponding periods. Higher net cash were used in operating activities compared against the corresponding periods as a result of the increase in loan activities.

Cash flows from investing activities

The net cash generated from investing activities for 3Q FY2018 and 9M FY2018 was \$2.0 million and \$9.4 million. Net cash inflows were mainly due to proceeds received from redemption/disposal of investments.

Details of the purchase of investments and proceeds from redemption/disposal of investments for 3Q FY2018 and 9M FY2018 were as follows:

| | Purchase of investments | | Proceeds from redemption / disposal of investments | |
|--|--------------------------------|------------------|---|------------------|
| | 3Q FY2018 | 9M FY2018 | 3Q FY2018 | 9M FY2018 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>ECICS Limited</u> * | | | | |
| - Quoted equity securities | 580 | 2,650 | 2,218 | 5,034 |
| - Quoted debt securities | 5,014 | 10,376 | 4,428 | 13,826 |
| <u>IFS Group</u> (excluding ECICS Limited) | - | 1,054 | 1,215 | 4,680 |
| Total | 5,594 | 14,080 | 7,861 | 23,540 |

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

Cash flows from financing activities

The net cash generated from financing activities resulted from the additional drawdown of interest-bearing borrowings to meet lending activities requirements.

Cash and cash equivalents

For 3Q FY2018 and 9M FY2018, the net cash inflows from investing and financing activities exceeded the net cash outflows from operating activities resulting in an increase in cash and cash equivalents for the periods.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are in line with the prospect statement as disclosed in the Group's second quarter results announcement for the year ended 30 June 2018 dated 14 August 2018.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

So far the growth in our Lending Business has been strong and the pipeline continues to look promising into the last quarter of 2018. We are, however, mindful of the many risks in the business environment. In particular, the continued tightening of monetary policy by the Federal Reserve Bank of the US and other central banks will raise our cost of funding while causing stresses in Asian financial markets. Thus, depreciation of currencies crucial to our business including the Indonesia Rupiah and Malaysian Ringgit may also impact the businesses of our subsidiaries in Malaysia and Indonesia, though their contribution to the Group is marginal.

Our efforts to turn around our Insurance business continue but it will take time before we see a recovery.

The Group is scheduled to complete the proposed disposal of our Suntec Tower One office and to receive the final balance net payment of about \$28.5 million in the 4th quarter of 2018.

11 Dividend

(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.

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

No interim dividend has been declared for the period ended 30 June 2018.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers.

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

By Order of the Board

Chionh Yi Chian/ Angeline Ng
Company Secretary/ Assistant Company Secretary
14 November 2018



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 third quarter ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min

Chairman

Eugene Tan

Group Chief Executive Officer/Director

Ang Iris

Group Chief Financial Officer

Singapore

14 November 2018