



**Full Year Unaudited Financial Statements and Dividend Announcement for the Year Ended 31 December 2015**

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**Full Year Unaudited Financial Statements and Dividend Announcement for the Year Ended 31 December 2015**

**1(a)(i) Consolidated Statement of Profit or Loss for the Fourth Quarter And Full Year Ended 31 December**

Note	4th Quarter			Full Year		
	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
1(a)						
(ii)						
Interest income	6,059	6,333	(4.3)	25,222	24,607	2.5
Interest expense	(1,724)	(1,595)	8.1	(6,980)	(6,068)	15.0
<b>Net interest income</b>	<b>4,335</b>	<b>4,738</b>	<b>(8.5)</b>	<b>18,242</b>	<b>18,539</b>	<b>(1.6)</b>
Gross written premiums	2,027	2,090	(3.0)	8,020	8,032	(0.1)
Change in gross provision for unexpired risks	387	866	(55.3)	1,851	2,386	(22.4)
Gross earned premium revenue	2,414	2,956	(18.3)	9,871	10,418	(5.3)
Written premiums ceded to reinsurers	(468)	(1,209)	(61.3)	(3,291)	(4,522)	(27.2)
Reinsurers' share of change in provision for unexpired risks	(645)	(693)	(6.9)	(2,121)	(2,016)	5.2
Reinsured premium expense	(1,113)	(1,902)	(41.5)	(5,412)	(6,538)	(17.2)
<b>Net earned premium revenue</b>	<b>1,301</b>	<b>1,054</b>	<b>23.4</b>	<b>4,459</b>	<b>3,880</b>	<b>14.9</b>
Fee and commission income	1,770	2,008	(11.9)	6,985	8,694	(19.7)
Investment income	874	674	29.7	1,518	2,998	(49.4)
Other income	109	108	0.9	311	495	(37.2)
<b>Non-interest income</b>	<b>2,753</b>	<b>2,790</b>	<b>(1.3)</b>	<b>8,814</b>	<b>12,187</b>	<b>(27.7)</b>
<b>Income before operating expenses</b>	<b>8,389</b>	<b>8,582</b>	<b>(2.2)</b>	<b>31,515</b>	<b>34,606</b>	<b>(8.9)</b>
Business development expenses	(264)	(222)	18.9	(789)	(796)	(0.9)
Commission expenses	(391)	(192)	103.6	(1,012)	(640)	58.1
Staff costs	(3,083)	(2,991)	3.1	(12,535)	(13,109)	(4.4)
General and administrative expenses	(1,524)	(1,645)	(7.4)	(7,093)	(6,690)	6.0
<b>Operating expenses</b>	<b>(5,262)</b>	<b>(5,050)</b>	<b>4.2</b>	<b>(21,429)</b>	<b>(21,235)</b>	<b>0.9</b>
Change in provision for insurance claims	(7,705)	(14,366)	(46.4)	(6,579)	(12,030)	(45.3)
Reinsurers' share of change in provision for insurance claims	5,137	10,255	(49.9)	3,742	8,337	(55.1)
Gross claims paid	(1,704)	(320)	NM	(1,882)	(4,735)	(60.3)
Reinsurers' share of claims paid	1,122	195	NM	1,114	3,252	(65.7)
<b>Net claims incurred</b>	<b>(3,150)</b>	<b>(4,236)</b>	<b>(25.6)</b>	<b>(3,605)</b>	<b>(5,176)</b>	<b>(30.4)</b>
<b>Operating profit/(loss) before allowances</b>	<b>(23)</b>	<b>(704)</b>	<b>(96.7)</b>	<b>6,481</b>	<b>8,195</b>	<b>(20.9)</b>
Allowances for loan losses and impairment of other assets	(10,965)	(9,235)	18.7	(19,108)	(15,802)	20.9
<b>Loss before tax</b>	<b>(10,988)</b>	<b>(9,939)</b>	<b>10.6</b>	<b>(12,627)</b>	<b>(7,607)</b>	<b>66.0</b>
Tax (expense)/credit	(1,134)	1,842	NM	(1,251)	1,280	NM
<b>Loss for the period/year</b>	<b>(12,122)</b>	<b>(8,097)</b>	<b>49.7</b>	<b>(13,878)</b>	<b>(6,327)</b>	<b>119.3</b>
<b>(Loss)/profit attributable to:</b>						
<b>Owners of the Company</b>	<b>(12,468)</b>	<b>(8,479)</b>	<b>47.0</b>	<b>(15,151)</b>	<b>(7,694)</b>	<b>96.9</b>
<b>Non-controlling interests</b>	<b>346</b>	<b>382</b>	<b>(9.4)</b>	<b>1,273</b>	<b>1,367</b>	<b>(6.9)</b>
<b>Loss for the period/year</b>	<b>(12,122)</b>	<b>(8,097)</b>	<b>49.7</b>	<b>(13,878)</b>	<b>(6,327)</b>	<b>119.3</b>

**Consolidated Statement of Comprehensive Income for the Fourth Quarter And Full Year Ended 31 December**

Note	4th Quarter			Full Year		
	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
	<b>(12,122)</b>	(8,097)	49.7	<b>(13,878)</b>	(6,327)	119.3
<b>Loss for the period/year</b>						
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
	<b>184</b>	-	NM	<b>184</b>	-	NM
	<b>(46)</b>	-	NM	<b>(46)</b>	-	NM
(i)	<b>138</b>	-	NM	<b>138</b>	-	NM
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
(j)	<b>(218)</b>	529	NM	<b>497</b>	3,693	(86.5)
(k)	-	18	(100.0)	<b>(747)</b>	(1,049)	(28.8)
(l)	<b>424</b>	1,085	(60.9)	<b>(1,361)</b>	1,968	NM
	<b>37</b>	(93)	NM	<b>42</b>	(449)	NM
	<b>243</b>	1,539	(84.2)	<b>(1,569)</b>	4,163	NM
<b>Other comprehensive income for the period/year, net of tax</b>						
	<b>381</b>	1,539	(75.2)	<b>(1,431)</b>	4,163	NM
<b>Total comprehensive income for the period/year</b>						
	<b>(11,741)</b>	(6,558)	79.0	<b>(15,309)</b>	(2,164)	NM
<b>Total comprehensive income attributable to:</b>						
	<b>(12,071)</b>	(7,170)	68.4	<b>(16,309)</b>	(3,967)	NM
	<b>330</b>	612	(46.1)	<b>1,000</b>	1,803	(44.5)
<b>Total comprehensive income for the period/year</b>						
	<b>(11,741)</b>	(6,558)	79.0	<b>(15,309)</b>	(2,164)	NM

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

**1(a)(ii) Explanatory Notes to Consolidated Statement of Profit or Loss**

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

	4th Quarter			Full Year		
	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
Investment income						
- dividend, fee and interest income	797	412	93.4	2,339	1,669	40.1
- (loss)/gain on disposal of equity securities	(29)	133	NM	(172)	484	NM
- gain on partial redemption of convertible loan	-	-	-	747	1,067	(30.0)
- net change in fair value of financial assets at fair value through profit or loss	133	106	25.5	(1,415)	(250)	NM
- amortisation of held-to-maturity debts securities	(15)	(27)	(44.4)	(74)	(33)	124.2
- exchange (loss)/gain	(12)	50	NM	93	61	52.5
	<b>874</b>	<b>674</b>	<b>29.7</b>	<b>1,518</b>	<b>2,998</b>	<b>(49.4)</b>
(Loss)/gain on disposal of property, plant and equipment	(3)	(6)	(50.0)	12	-	NM
Amortisation of intangible assets	(106)	(78)	35.9	(400)	(315)	27.0
Depreciation of property, plant and equipment	(272)	(250)	8.8	(1,094)	(987)	10.8
Foreign currency differences						
- exchange gain/(loss), net	224	25	NM	(625)	(38)	NM
- realised gain on foreign exchange contracts	131	-	NM	131	-	NM
- fair value (loss)/gain on foreign exchange forward contracts	(278)	-	NM	322	-	NM
	<b>77</b>	<b>25</b>	<b>NM</b>	<b>(172)</b>	<b>(38)</b>	<b>NM</b>
(Provision for)/reversal of unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	387	866	(55.3)	1,851	2,386	(22.4)
- reinsurers' share of change in provision for unexpired risks	(645)	(693)	(6.9)	(2,121)	(2,016)	5.2
	<b>(258)</b>	<b>173</b>	<b>NM</b>	<b>(270)</b>	<b>370</b>	<b>NM</b>
Claims incurred, net of reinsurers' share						
- net change in provision for insurance claims	(2,568)	(4,111)	(37.5)	(2,837)	(3,693)	(23.2)
- net claims paid	(582)	(125)	NM	(768)	(1,483)	(48.2)
	<b>(3,150)</b>	<b>(4,236)</b>	<b>(25.6)</b>	<b>(3,605)</b>	<b>(5,176)</b>	<b>(30.4)</b>
Allowances for loan losses and impairment of other assets						
- loans and receivables	(10,643)	(8,392)	26.8	(18,786)	(14,811)	26.8
- assets held for sale	6	(5)	NM	6	(5)	NM
- equity securities	-	(838)	NM	-	(986)	(100.0)
- other assets	(328)	-	NM	(328)	-	NM
	<b>(10,965)</b>	<b>(9,235)</b>	<b>18.7</b>	<b>(19,108)</b>	<b>(15,802)</b>	<b>20.9</b>
Tax (expense)/credit						
- current tax expense	(264)	(303)	(12.9)	(1,176)	(1,406)	(16.4)
- deferred tax (expense)/credit	(1,570)	2,161	NM	(710)	2,726	NM
- over/(under)provision of prior years' tax	700	(16)	NM	635	(40)	NM
	<b>(1,134)</b>	<b>1,842</b>	<b>NM</b>	<b>(1,251)</b>	<b>1,280</b>	<b>NM</b>

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

**Comments on Major Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income Variances**

- (a) The decrease in net interest income for 4th Quarter 2015 (“4Q 2015”) was mainly due to lower loans interest on lower average loan assets coupled with higher funding cost.
- (b) Gross written premiums of the insurance subsidiary, ECICS Limited (“ECICS”) for 4Q 2015 and full year 2015 (“FY 2015”) was little changed at \$2.0 million and \$8.0 million respectively. After accounting for a lower write back on change in gross provision for unexpired risks reserve, gross earned premium revenue was lower at \$2.4 million for 4Q 2015 and \$9.9 million for FY 2015. However, with lower premium ceded to reinsurers, net earned premium revenue surged 23% to \$1.3 million for 4Q 2015 and 15% to \$4.5 million for FY 2015.
- (c) The lower fee and commission income for 4Q 2015 and FY 2015 was mainly due to lower reinsurance commission received and lower financing fee income.
- (d) The higher investment income for 4Q 2015 was mainly on higher dividend income, partly offset by loss on disposal of equity securities. The lower investment income for FY 2015 was mainly due to higher fair value loss on quoted equity investments from a weak market sentiment, loss on disposal of equity securities and lower gain on partial redemption of convertible loan, mitigated by higher dividend income. The gain on partial redemption of convertible loan for both 2015 and 2014 was reclassified from other comprehensive income.
- (e) The lower other income for FY 2015 was mainly due to lower bad debts recoveries from factoring and loan accounts previously written off.
- (f) The lower net claims incurred for 4Q 2015 and FY 2015 was mainly due to lower net claims paid on bond calls and lower specific provision required.
- (g) The higher allowances for loan losses and impairment of other assets for 4Q 2015 and FY 2015 was mainly due to higher individual impairment on loans.
- (h) The tax expense for 4Q 2015 and FY 2015 was mainly due to the current tax expense incurred by our Thailand subsidiary and deferred tax expense of our local and overseas subsidiaries, mitigated by write-back of overprovision of prior years’ tax.

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

Comments on Major Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income Variances (cont'd)

- (i) This was related to the remeasurement on defined benefit plan of the Group's Indonesia subsidiary.
- (j) The decline in the net change in fair value of available-for-sale financial assets for 4Q 2015 and FY 2015 was mainly due to lower mark-to-market gain on property-related projects.
- (k) For both 2015 and 2014, there was a reclassification from other comprehensive income - net change in fair value of available-for-sale financial assets to realised gain as explained in (d) above.
- (l) The foreign currency translation differences arose from the translation of financial statements of foreign operations whose functional currencies were different from that of the Group's presentation currency. The translation gain for 4Q 2015 was mainly due to the strengthening of Indonesian Rupiah and Malaysian Ringgit for translation against the Singapore Dollar as at 30 September 2015. The translation loss for FY 2015 was mainly due to the weakening of Indonesian Rupiah and Thai Baht for translation against the Singapore Dollar as at 31 December 2014.

1(a)(iii) Loss Per Ordinary Share

	Group			
	4th Quarter		Full Year	
	2015	2014	2015	2014
Loss per ordinary share				
- on weighted-average number of ordinary shares in issue (cents)	<b>(8.29)</b>	(5.64)	<b>(10.07)</b>	(5.12)
- on fully diluted basis (cents)	<b>(8.29)</b>	(5.64)	<b>(10.07)</b>	(5.12)

Loss per ordinary share on existing issued share capital is computed based on the weighted-average number of shares in issue during the financial period/year of 150,387,866 (31 December 2014: 150,387,866).

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/years.

## 1(b)(i) Statements of Financial Position

	Note	Group		Company	
		31/12/2015 S\$'000	31/12/2014 S\$'000	31/12/2015 S\$'000	31/12/2014 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		17,612	17,231	14,491	15,111
Intangible assets		776	642	119	184
Investment property	(a)	1,258	-	-	-
Subsidiaries	(b)	-	-	73,587	75,845
Loans to subsidiaries	(c)	-	-	6,615	-
Other investments	(d)	51,898	48,704	8,054	7,000
Loans, advances, hire purchase and leasing receivables	(e)	38,191	48,785	32,807	40,483
Deferred tax assets	(f)	5,860	6,832	708	230
		<b>115,595</b>	<b>122,194</b>	<b>136,381</b>	<b>138,853</b>
<b>Current assets</b>					
Reinsurers' share of insurance contract provisions		20,731	19,110	-	-
Insurance receivables		2,106	1,052	-	-
Trade and other receivables	(g)	200,364	212,745	104,357	107,246
Other investments	(h)	20,698	24,794	390	-
Derivative financial assets	(i)	333	190	10	190
Cash and cash equivalents		33,651	24,013	11,344	7,510
Assets held for sale		-	167	-	-
		<b>277,883</b>	<b>282,071</b>	<b>116,101</b>	<b>114,946</b>
<b>Total assets</b>		<b>393,478</b>	<b>404,265</b>	<b>252,482</b>	<b>253,799</b>
<b>Equity</b>					
Share capital		88,032	88,032	88,032	88,032
Other reserves		(4,818)	(3,599)	894	863
Accumulated profits		18,802	36,148	21,347	27,585
<b>Equity attributable to owners of the Company</b>		<b>102,016</b>	<b>120,581</b>	<b>110,273</b>	<b>116,480</b>
Non-controlling interests		11,468	11,221	-	-
<b>Total equity</b>		<b>113,484</b>	<b>131,802</b>	<b>110,273</b>	<b>116,480</b>
<b>Non-current liabilities</b>					
Interest-bearing borrowings	(j)	23,200	46,683	19,145	35,610
Employee benefits		1,070	931	-	-
Deferred tax liabilities		187	-	-	-
		<b>24,457</b>	<b>47,614</b>	<b>19,145</b>	<b>35,610</b>
<b>Current liabilities</b>					
Trade and other payables		7,182	8,275	3,001	5,068
Insurance payables		1,825	2,418	-	-
Interest-bearing borrowings	(j)	210,735	182,419	120,063	96,173
Insurance contract provisions for - gross unexpired risks		11,661	13,512	-	-
- gross insurance claims		23,484	16,905	-	-
Derivative financial liability		21	-	-	-
Current tax payable		629	1,320	-	468
		<b>255,537</b>	<b>224,849</b>	<b>123,064</b>	<b>101,709</b>
<b>Total liabilities</b>		<b>279,994</b>	<b>272,463</b>	<b>142,209</b>	<b>137,319</b>
<b>Total equity and liabilities</b>		<b>393,478</b>	<b>404,265</b>	<b>252,482</b>	<b>253,799</b>

### **Comments on Major Statements of Financial Position Variances**

- (a) The increase in investment property of the Group was due to the reclassification from non-current assets - property, plant and equipment, as part of the new office unit purchased by our Thailand subsidiary for leasing purpose.
- (b) The decrease in subsidiaries was due to provision for impairment loss on investments in Indonesian and Malaysian operations.
- (c) The loans to subsidiaries resulted from reclassification from trade and other receivables as mentioned under (e) below.
- (d) The increase in other investments under non-current assets of the Group was mainly due to the participation in 2 property-related funds and the Company's subscription of rights issue in an unquoted equity security.
- (e) The decrease in loans, advances, hire purchase and leasing receivables under non-current assets of the Group and the Company was mainly due to reclassification of receivables maturing within the next twelve months to current assets - trade and other receivables. There was also a reclassification of loan to subsidiaries to non-current assets at Company level as mentioned in (c) above.
- (f) The decrease at Group level was mainly due to reversal of deferred tax assets previously recognized under Indonesian operations as there was insufficient future taxable profit against which the deferred tax assets could be utilised.
- (g) The decrease in trade and other receivables under current assets of the Group was mainly due to higher repayment of existing loan portfolio, lower new loans drawdown and lower factoring receivables recorded by Indonesian and Malaysian operations.
- (h) The decrease in other investments under current assets of the Group was mainly due to ECICS' lower portfolio of held-for-trading equity securities and maturity of held-to-maturity debt securities. The investment at Company level related to the conversion of a convertible loan into equity.
- (i) The derivative financial assets at Group level related mainly to the swap deal for intra-group loan to Malaysia subsidiary denominated in Singapore dollar.
- (j) The decrease in interest-bearing borrowings under non-current liabilities of the Group and the Company was mainly due to the reclassification of interest-bearing borrowings maturing within the next twelve months to current liabilities. This has resulted in a negative working capital at Company level.

The Group's overall interest-bearing borrowings increased from \$229.1 million as at 31 December 2014 to \$233.9 million as at 31 December 2015 mainly due to additional bank borrowings to fund its financing business.



1(b)(ii) **Group's Borrowings**

	<b>Unsecured</b>	
	<b>As at 31/12/2015</b>	<b>As at 31/12/2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on demand	<b>210,735</b>	182,419
Amount repayable after one year	<b>23,200</b>	46,683
	<b>233,935</b>	229,102

**Details of any collateral**

Nil.

1(b)(iii) **Net Asset Value**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Net asset value per ordinary share based on issued share capital at end of the financial year (cents)	<b>67.8</b>	80.2	<b>73.3</b>	77.5

1(c) **Consolidated Statement of Cash Flows for the Fourth Quarter And Full Year Ended 31 December**

	Note	4th Quarter		Full Year	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Cash flows from operating activities</b>					
Loss for the period		(12,122)	(8,097)	(13,878)	(6,327)
Adjustments for:					
Amortisation of intangible assets and held-to-maturity debt securities		121	105	474	348
Net foreign exchange loss/(gain)		115	(42)	(240)	34
Depreciation of property, plant and equipment		272	250	1,094	987
Loss/(gain) on disposal of equity securities		29	(133)	172	(484)
Gain on partial redemption of convertible loans		-	-	(747)	(1,067)
Loss/(gain) on disposal of property, plant and equipment		3	6	(12)	-
Net change in fair value of financial assets at fair value through profit or loss		(133)	(106)	1,415	250
Allowance for impairment of investments		-	838	-	986
Allowance for impairment of other assets		328	-	328	-
Derivative financial instruments		(302)	-	(302)	-
Provision for/(reversal of), net of reinsurers' share					
- unexpired risks		258	(173)	270	(370)
- insurance claims		2,568	4,111	2,837	3,693
Interest income		(6,059)	(6,333)	(25,222)	(24,607)
Interest income from investments and fixed deposits		(300)	(323)	(1,206)	(1,152)
Dividend income from investments		(497)	(89)	(1,133)	(517)
Interest expense		1,724	1,595	6,980	6,068
Fixed assets written off		1	-	2	20
Tax expense/(credit)		1,134	(1,842)	1,251	(1,280)
<b>Operating cashflows before changes in working capital</b>		<b>(12,860)</b>	<b>(10,233)</b>	<b>(27,917)</b>	<b>(23,418)</b>
<b>Changes in working capital:</b>					
Factoring receivables		(3,972)	(3,193)	296	9,226
Factoring amounts due to clients		870	(392)	521	(1,100)
Loans, advances, hire purchase and leasing receivables		21,641	6,179	17,300	(8,255)
Insurance and other receivables		908	(3)	(254)	1,107
Assets held for sale		189	(167)	161	(167)
Trade, other and insurance payables		780	(130)	(1,517)	(2,450)
<b>Cash generated from /(used in) operations</b>		<b>7,556</b>	<b>(7,939)</b>	<b>(11,410)</b>	<b>(25,057)</b>
Interest received		6,298	6,574	26,483	25,580
Interest paid		(4,390)	(1,537)	(6,774)	(6,025)
Tax paid, net		(39)	(93)	(1,297)	(2,584)
<b>Net cash from/(used in) operating activities</b>	(a)	<b>9,425</b>	<b>(2,995)</b>	<b>7,002</b>	<b>(8,086)</b>

1(c) **Consolidated Statement of Cash Flows for the Fourth Quarter And Full Year Ended 31 December (cont'd)**

	Note	4th Quarter		Full Year	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		2	1	17	7
Purchase of property, plant and equipment		(349)	(131)	(1,808)	(561)
Purchase of investment property		2	-	(1,304)	-
Purchase of intangible assets		(110)	(156)	(536)	(609)
Purchase of investments		(1,250)	(5,925)	(26,394)	(42,951)
Proceeds from redemption/disposal of investments		3,254	4,543	26,393	15,806
Dividend received from investments		476	89	1,112	517
<b>Net cash from/(used in) investing activities</b>	(b)	<b>2,025</b>	<b>(1,579)</b>	<b>(2,520)</b>	<b>(27,791)</b>
<b>Cash flows from financial activities</b>					
Dividends paid					
- by the Company		-	-	(2,256)	(3,008)
- by a subsidiary company to non-controlling interests		-	-	(753)	(660)
(Repayments of)/proceeds from interest-bearing borrowings		(6,090)	(156)	8,373	893
<b>Net cash (used in)/from financing activities</b>	(c)	<b>(6,090)</b>	<b>(156)</b>	<b>5,364</b>	<b>(2,775)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(d)	<b>5,360</b>	<b>(4,730)</b>	<b>9,846</b>	<b>(38,652)</b>
Cash and cash equivalents at beginning of period/year		28,262	28,466	24,013	62,142
Effect of exchange rate fluctuations on cash held		29	277	(208)	523
<b>Cash and cash equivalents at end of period/year</b>		<b>33,651</b>	<b>24,013</b>	<b>33,651</b>	<b>24,013</b>
<b>Analysis of cash and cash equivalents</b>					
Fixed deposits		21,894	14,281	21,894	14,281
Cash at banks and on hand		11,757	9,732	11,757	9,732
<b>Cash and cash equivalents at end of period/year</b>		<b>33,651</b>	<b>24,013</b>	<b>33,651</b>	<b>24,013</b>

## **Explanatory Notes to Consolidated Statement of Cash Flows**

(a) Net cash from/(used in) operating activities

The net cash from operating activities in 4Q 2015 and FY 2015 was mainly due to higher repayment of loans, advances and hire purchase and leasing receivables as compared to the same periods in 2014.

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

The net cash from investing activities in 4Q 2015 was mainly due to lower purchase of investments as compared to the same period in 2014. The lower net cash used in FY 2015 was mainly due to lower purchase of investments and higher proceeds from redemption/disposal of investments as compared to 2014.

Details of the purchase of investments of \$1.3 million and proceeds from redemption/disposal of investments of \$3.3 million for 4Q 2015 were as follows:-

<u>Details</u>	<u>Purchase of investments</u> S\$'000	<u>Proceeds from redemption/ disposal of investments</u> S\$'000
<u>ECICS Limited</u> *		
- Quoted equity securities	250	208
- Quoted debt securities	-	2,750
<u>IFS Group (excluding ECICS Limited)</u>		
- Convertible loan	1,000	296
<b>Total</b>	<b>1,250</b>	<b>3,254</b>

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

(c) Net cash (used in)/from financing activities

The net cash used in financing activities in 4Q 2015 resulted mainly from utilization of surplus funds for repayments of interest-bearing borrowings. The net cash from financing activities in FY 2015 was mainly due to higher proceeds from interest-bearing borrowings to fund lending business, partly offset by lower dividend payments as compared to 2014.

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

Overall, the net increase in cash and cash equivalents for 4Q 2015 resulted mainly from higher repayment of loans, advances, hire purchases and leasing receivables and lower purchase of investments, partly offset by repayments of interest-bearing borrowings as compared to the same quarter in 2014. The net increase in FY 2015 resulted mainly from higher repayment of loans, advances, hire purchase and leasing receivables, lower purchase of investments and higher proceeds from redemption/disposal of investments, partly offset by higher proceeds from interest-bearing borrowings as compared to 2014.

1(d)(i) **Statements of Changes in Equity**

<b>Group</b>	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	
<b>2014</b>								
<b>At 1 January 2014</b>	88,032	(236)	1,507	(8,794)	47,047	127,556	10,078	137,634
<b>Total comprehensive income for the year</b>								
(Loss)/profit for the year	-	-	-	-	(7,694)	(7,694)	1,367	(6,327)
Other comprehensive income	-	-	2,195	1,532	-	3,727	436	4,163
<b>Total comprehensive income for the year</b>	-	-	2,195	1,532	(7,694)	(3,967)	1,803	(2,164)
Capitalisation of statutory legal reserves of a subsidiary	-	197	-	-	(197)	-	-	-
Dividends paid to owners of the Company	-	-	-	-	(3,008)	(3,008)	-	(3,008)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(660)	(660)
<b>At 31 December 2014</b>	88,032	(39)	3,702	(7,262)	36,148	120,581	11,221	131,802
<b>2015</b>								
<b>At 1 January 2015</b>	88,032	(39)	3,702	(7,262)	36,148	120,581	11,221	131,802
<b>Total comprehensive income for the year</b>								
(Loss)/profit for the year	-	-	-	-	(15,151)	(15,151)	1,273	(13,878)
Other comprehensive income	-	-	(208)	(1,088)	138	(1,158)	(273)	(1,431)
<b>Total comprehensive income for the year</b>	-	-	(208)	(1,088)	(15,013)	(16,309)	1,000	(15,309)
Capitalisation of statutory legal reserves of a subsidiary	-	77	-	-	(77)	-	-	-
Dividends paid to owners of the Company	-	-	-	-	(2,256)	(2,256)	-	(2,256)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(753)	(753)
<b>At 31 December 2015</b>	88,032	38	3,494	(8,350)	18,802	102,016	11,468	113,484

**1(d)(i) Statements of Changes in Equity (cont'd)**

<u>Company</u>	Share capital S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>2014</b>				
<b>At 1 January 2014</b>	88,032	1,485	22,445	111,962
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	8,148	8,148
Other comprehensive income	-	(622)	-	(622)
<b>Total comprehensive income for the year</b>	-	(622)	8,148	7,526
Dividend paid	-	-	(3,008)	(3,008)
<b>At 31 December 2014</b>	<b>88,032</b>	<b>863</b>	<b>27,585</b>	<b>116,480</b>
<b>2015</b>				
<b>At 1 January 2015</b>	<b>88,032</b>	<b>863</b>	<b>27,585</b>	<b>116,480</b>
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(3,982)	(3,982)
Other comprehensive income	-	31	-	31
<b>Total comprehensive income for the year</b>	-	31	(3,982)	(3,951)
Dividend paid	-	-	(2,256)	(2,256)
<b>At 31 December 2015</b>	<b>88,032</b>	<b>894</b>	<b>21,347</b>	<b>110,273</b>

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

Since 31 December 2014, there was no change in the issued share capital of the Company. The share capital of the Company as at 31 December 2015 was 150,387,866 ordinary shares.

There were no outstanding convertibles as at 31 December 2015 (31 December 2014: Nil).

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

The total number of issued shares as at 31 December 2015 was 150,387,866 (31 December 2014: 150,387,866 issued shares). The Company does not hold any treasury shares as at 31 December 2015 (31 December 2014: Nil).

**1(d)(iv) Sales, Transfers, Disposal, Cancellation and/or use of Treasury Shares**

Not applicable.

**2 Audit**

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

**3 Auditors' Report**

Not applicable.

#### **4 Accounting Policies**

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with those of the audited annual financial statements for the year ended 31 December 2014.

#### **5 Changes in Accounting Policies**

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRSs).

For the current financial year, the Group adopted the new/revised FRSs that are effective for annual periods beginning on or after 1 January 2015. The following are the new or amended FRSs that are relevant to the Group:

- Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
- Improvements to FRSs (January 2014)
- Improvements to FRSs (February 2014)

The adoption of the above amended FRS does not have any significant impact on the financial statements for the financial year under review.

#### **6 Review of Group Performance**

##### **4th Quarter 2015 (“4Q 2015”) versus 4th Quarter 2014 (“4Q 2014”)**

The Group reported a lower operating loss before allowances of \$23,000 for 4Q 2015, compared to \$704,000 for 4Q 2014 mainly on higher net earned premium revenue and lower net claims incurred, partly affected by lower net interest income and higher operating expenses. After accounting for the higher allowances for loan losses and tax expense, the Group reported a higher net loss of \$12.1 million compared to \$8.1 million for 4Q 2014.

##### **2015 versus 2014**

The Group's operating income for 2015 of \$31.5 million was 9% lower compared to \$34.6 million for 2014, mainly affected by lower non-interest income but helped by higher net earned premium revenue. After taking into account a lower net claims incurred, the Group's operating profit before allowances of \$6.5 million was 21% lower compared to \$8.2 million a year ago.

With higher allowances for loan losses and the tax expense, the Group reported a higher net loss of \$13.9 million compared to \$6.3 million in 2014. Net loss attributable to shareholders after non-controlling interests (“NCI”) was \$15.2 million.

The Group's gross loan assets including factoring receivables outstanding were \$333.0 million as at 31 December 2015. This was a decrease of 4% against the base of \$345.5 million as at 31 December 2014 due to higher loan repayments, partly offset by higher factoring receivables.

For the regional operations, our Thailand subsidiary reported a net profit after NCI of \$3.5 million, down 7% from \$3.7 million in 2014 mainly on higher allowances for loan losses. Our Indonesia subsidiary posted a higher net loss of \$10.1 million compared to \$1.5 million in 2014, mainly impacted by higher allowances for loan losses. Our Malaysia subsidiary reported a lower net loss of \$177,000 compared to \$4.8 million in 2014 mainly on lower allowances for loan losses.

Overall, regional operations recorded a higher net loss after non-controlling interest of \$7.5 million compared to \$3.2 million in 2014.

## **7 Variance from Prospect Statement**

The current announced results are in line with the prospect statement as disclosed in the Group's 3rd Quarter 2015 results announcement dated 6 November 2015.

## **8 Prospects**

We are seeing a general economic slowdown and considerable financial market volatility across the world economy which is hurting all the countries where we have a presence. Hence, our approach this year is one of caution.

We are continuing to acquire new accounts to expand our factoring portfolios. However, our strategy is prudent, with strict limits per customer and reduced concentration. The acquisition of new customers is mainly from the service sectors where the ultimate source of repayment is either from the government or the large corporations. We expect to do more business with our existing customers whom we know well and whose risks we are able to manage.

ECICS, our insurance arm, continues to make good progress in the general insurance business that was started two years ago. However, general insurance is a very competitive business and we will need to invest in significant resources to grow the business.

After three years experiencing difficult business conditions, the Group is re-focusing itself under new leadership. It will continue to develop its core strengths and execute its broad strategy as an alternative regional financier for SMEs and a competitive value-oriented general insurer, while remaining ready and flexible to explore new business initiatives.



**9 Dividend**

(a) Current financial period reported on

Nil.

(b) Corresponding period of the immediately preceding financial year

<b>Name of Dividend</b>	<b>First and Final</b>
Dividend Type	Cash (Ordinary)
Dividend Rate	1.50 cents per share
Tax Rate	One-tier tax exempt
Date of Payment	8 May 2015

(c) Dividend payment date

Not applicable.

(d) Book closure date

Not applicable.

**10 If no dividend has been declared (recommended), a statement to that effect**

No dividend is declared for the financial year ended 31 December 2015 (31 December 2014: 1.50 cents per ordinary share).

## 11 Group Segment Information

### Operating Segments

The Group has three 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 centralized support costs and funding costs. Inter-segment pricing where appropriate, is determined on an arm's length basis. The Group's CEO reviews the internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Credit financing : Credit financing encompasses commercial, alternative and structured finance businesses and focuses on providing services to corporate clients, mainly the small and medium-sized enterprises. The commercial services provided include factoring, accounts receivable financing, trade financing, mortgage financing, working capital, financing for overseas operations, hire purchase as well as participating in financing by SPRING and International Enterprise Singapore Board under the Singapore Government's Local Enterprise Finance Scheme and Internationalisation Finance Scheme respectively. Where conventional forms of commercial finance are inadequate, alternative and structured financial solutions are offered to clients to address either equity or debt capital requirements.
- Insurance : The provision of credit insurance facilities to Singapore exporters and the issue of performance bonds and guarantees, domestic maid insurance, spa insurance for pre-paid packages, marine cargo and motor insurance, political risks, contractors' all risks and work injury compensation insurance. The segment includes holding of equity securities and bonds under the regulated Insurance Fund.
- Private equity, venture capital and other investments : The provision of development capital in the form of mezzanine financing, convertible debt instruments and direct private equity investments.

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

**Information about reportable segments:**

<b><u>Business Segments</u></b>	<b>Credit financing S\$'000</b>	<b>Insurance S\$'000</b>	<b>Private equity and other investments S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
<b>2015</b>					
<b><i>Operating Results</i></b>					
Total operating income	31,678	5,354	1,152	-	38,184
Reportable segment (loss)/ profit before tax	(9,298)	(4,011)	682	-	(12,627)
Net interest income	18,242	-	-	-	18,242
Net earned premium revenue	-	4,459	-	-	4,459
Non-interest income	6,767	895	1,152	-	8,814
Other material non-cash items					
- (Allowances for)/reversal of loan losses and impairment of investments	(18,933)	153	(328)	-	(19,108)
- Depreciation and amortisation	(1,177)	(278)	(38)	-	(1,493)
<b><i>Assets and Liabilities</i></b>					
Reportable segment assets	277,101	80,572	28,963	6,842	393,478
Capital expenditure	2,885	435	328	-	3,648
Reportable segment liabilities	240,681	38,194	330	789	279,994
<b>2014</b>					
<b><i>Operating Results</i></b>					
Total operating income	31,684	7,695	800	-	40,179
Reportable segment loss before tax	(3,920)	(2,488)	(1,199)	-	(7,607)
Net interest income	18,539	-	-	-	18,539
Net earned premium revenue	-	3,880	-	-	3,880
Non-interest income	7,572	3,815	800	-	12,187
Other material non-cash items					
- (Allowances for)/reversal of loan losses and impairment of investments	(14,889)	73	(986)	-	(15,802)
- Depreciation and amortisation	(1,106)	(142)	(54)	-	(1,302)
<b><i>Assets and Liabilities</i></b>					
Reportable segment assets	292,017	80,228	24,320	7,700	404,265
Capital expenditure	674	496	-	-	1,170
Reportable segment liabilities	236,868	33,825	351	1,419	272,463

## Geographical segments

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

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

<b>Geographical information</b>	<b>Operating income S\$'000</b>	<b>Non-current assets S\$'000</b>	<b>Total assets S\$'000</b>
<b>31 December 2015</b>			
Singapore	17,348	15,153	235,210
Thailand	14,347	4,227	140,251
Malaysia	3,883	235	12,099
Indonesia	2,236	31	5,146
Others	370	-	772
	<b>38,184</b>	<b>19,646</b>	<b>393,478</b>
<b>31 December 2014</b>			
Singapore	18,098	15,675	231,545
Thailand	14,530	1,828	134,680
Malaysia	4,408	306	12,411
Indonesia	2,118	64	17,127
Others	1,025	-	8,502
	<b>40,179</b>	<b>17,873</b>	<b>404,265</b>

## **12** Review of Segments Performance

### Business Segment

Credit financing segment recorded a higher pre-tax loss of \$9.3 million in 2015 mainly due to higher allowances for loan losses. Income remained almost flat at \$31.7 million. Expenses went up 2% to \$15.3 million mainly on higher general and administrative expenses. Allowances for loan losses and impairment of investments increased by 21% mainly due to higher specific provisions required.

Insurance segment reported a higher pre-tax loss of \$4.0 million in 2015 compared to \$2.5 million in 2014 due mainly to lower underwriting commission income, lower investment income and higher operating expenses, mitigated by higher net earned premium revenue and lower net claims incurred.

Private equity and other investments segment posted a pre-tax profit of \$682,000 reversing from a pre-tax loss of \$1.2 million in 2014, due mainly to lower impairment required, lower operating expenses and higher dividend income.

### Geographical Segment

The decrease in revenue from *Singapore* was attributable mainly to lower interest income, lower investment income and drop in fee and commission income; and lower underwriting commission income.

The decrease in revenue from *Thailand* and *Malaysia* was mainly due to the lower loan portfolios.

The increase in total assets from *Singapore* was mainly due to new loans drawdown while the decrease from *Malaysia* and *Indonesia* was mainly from loan repayments and higher impairments. The increase in total assets from *Thailand* was mainly due to higher factoring receivables.

The lower total assets from *Others* resulted mainly from repayment of loans located in Sri Lanka and Australia.

### 13 Half Yearly Group Income and Profit/(Loss)

	<b>Group</b>		
	<b>2015</b>	2014	+ / (-)
	<b>S\$'000</b>	S\$'000	%
Gross Operating Income			
- first half	<b>20,398</b>	20,620	(1.1)
- second half	<b>17,786</b>	19,559	(9.1)
<b>Total Gross Operating Income</b>	<b>38,184</b>	40,179	(5.0)
Operating Profit/(Loss) After Tax			
- first half	<b>460</b>	1,876	(75.5)
- second half	<b>(14,338)</b>	(8,203)	74.8
<b>Total Operating Loss After Tax</b>	<b>(13,878)</b>	(6,327)	119.3

### 14 Breakdown of the Total Annual Dividend (in dollar value)

	<b>2015</b>	2014
	<b>S\$'000</b>	S\$'000
<b>Ordinary</b>		
First and Final	-	2,256
Proposed First and Final	-	-
<b>Total</b>	<b>-</b>	<b>2,256</b>

### 15 Interested Person Transactions Mandate

There is no general mandate obtained from shareholders on Interested Person Transactions.

**16 Confirmation - Undertaking from all 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.

**17 Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) of the SGX-ST Listing Manual**

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	59	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**  
**Company Secretary**  
18 February 2016