



**Fourth Quarter and Full Year Unaudited Financial Statements and Dividend Announcement  
for the Year Ended 31 December 2017**

**TABLE OF CONTENTS**

<b>Item No.</b>	<b>Description</b>	<b>Page No.</b>
1(a)(i)	Consolidated Income Statement and Statement of Comprehensive Income	2 – 3
1(a)(ii)	Notes to Consolidated Statement of Profit or Loss	4 – 5
1(b)(i)	Statements of Financial Position	6
1(b)(ii)	Aggregate amount of the Group's borrowings and debts securities	7
1(c)	Consolidated Statement of Cash Flows	8 – 9
1(d)(i)	Statements of Changes in Equity	10 – 12
1(d)(ii)	Changes in Company's Share Capital	13
1(d)(iii)	Total number of Issued Shares excluding Treasury Shares	13
1(d)(iv)	Sales, Transfers, Disposal, Cancellation and/or use of Treasury Shares	13
1(d)(v)	Sales, Transfers, Disposal, Cancellation and/or use of Subsidiary Holdings	13
2 & 3	Audit and Auditors' Report	13
4 & 5	Accounting Policies and Changes in Accounting Policies	14
6	Earnings/(Loss) Per Ordinary Share	14
7	Net Asset Value	14
8 & 16	Review of Group Performance	15 - 17
9	Variance from Prospect Statement	17
10	Prospects	18
11 & 12	Dividend	18
13	Interested Person Transactions Mandate	18
14	Confirmation - undertaking from all directors and executive officers	18
15	Group Segment Information	19 – 20
17	Breakdown of Sales	20
18	Breakdown of the Total Annual Dividend	20
19	Disclosure of person occupying a managerial position	21
	Negative confirmation pursuant to Rule 705(5)	22



**Fourth Quarter and Full Year Unaudited Financial Statements and Dividend Announcement for the Year Ended 31 December 2017**

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 31 December			12 months ended 31 December		
	4Q FY2017	4Q FY2016	+/(-) %	12M FY2017	12M FY2016	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	6,255	5,326	17.4	24,612	22,668	8.6
Interest expense	(1,392)	(1,386)	0.4	(5,583)	(6,235)	(10.5)
<b>Net interest income</b>	<b>4,863</b>	<b>3,940</b>	23.4	<b>19,029</b>	<b>16,433</b>	15.8
Gross written premiums	1,757	3,815	(53.9)	10,990	14,595	(24.7)
Change in gross provision for unexpired risks	2,120	(1,166)	NM	5,727	(4,095)	NM
Gross earned premium revenue	3,877	2,649	46.4	16,717	10,500	59.2
Written premiums ceded to reinsurers	(575)	(891)	(35.5)	(3,127)	(3,151)	(0.8)
Reinsurers' share of change in provision for unexpired risks	(1,521)	1,139	NM	(2,519)	(506)	NM
Reinsurance premium expense	(2,096)	248	NM	(5,646)	(3,657)	54.4
<b>Net earned premium revenue (i)</b>	<b>1,781</b>	<b>2,897</b>	(38.5)	<b>11,071</b>	<b>6,843</b>	61.8
Fee and commission income	1,768	1,816	(2.6)	6,687	7,422	(9.9)
Investment income	2,097	396	NM	5,803	2,409	140.9
Other income	202	144	40.3	475	599	(20.7)
<b>Sub-total (ii)</b>	<b>4,067</b>	<b>2,356</b>	72.6	<b>12,965</b>	<b>10,430</b>	24.3
<b>Non-interest income (i) + (ii)</b>	<b>5,848</b>	<b>5,253</b>	11.3	<b>24,036</b>	<b>17,273</b>	39.2
<b>Income before operating expenses</b>	<b>10,711</b>	<b>9,193</b>	16.5	<b>43,065</b>	<b>33,706</b>	27.8
Business development expenses	(139)	(186)	(25.3)	(495)	(558)	(11.3)
Commission expenses	(426)	(986)	(56.8)	(2,153)	(3,216)	(33.1)
Staff costs	(3,684)	(3,141)	17.3	(13,458)	(12,099)	11.2
General and administrative expenses	(1,600)	(1,359)	17.7	(6,890)	(6,869)	0.3
<b>Operating expenses</b>	<b>(5,849)</b>	<b>(5,672)</b>	3.1	<b>(22,996)</b>	<b>(22,742)</b>	1.1
Change in provision for insurance claims	2,712	4,689	(42.2)	(1,886)	13,660	NM
Reinsurers' share of change in provision for insurance claims	(569)	(4,614)	(87.7)	(879)	(13,178)	(93.3)
Gross claims (paid)/recovered	(3,327)	105	NM	(11,331)	(6,686)	69.5
Reinsurers' share of claims paid/(recovered)	61	(534)	NM	3,278	3,856	(15.0)
<b>Net claims incurred</b>	<b>(1,123)</b>	<b>(354)</b>	NM	<b>(10,818)</b>	<b>(2,348)</b>	NM
<b>Operating profit before allowances</b>	<b>3,739</b>	<b>3,167</b>	18.1	<b>9,251</b>	<b>8,616</b>	7.4
Allowances for loan losses and impairment of other assets	(635)	(994)	(36.1)	(3,473)	(8,384)	(58.6)
<b>Profit before tax</b>	<b>3,104</b>	<b>2,173</b>	42.8	<b>5,778</b>	<b>232</b>	NM
Tax expense	(548)	(413)	32.7	(2,164)	(1,355)	59.7
<b>Profit/(loss) for the period/year</b>	<b>2,556</b>	<b>1,760</b>	45.2	<b>3,614</b>	<b>(1,123)</b>	NM
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	2,168	1,378	57.3	1,956	(2,565)	NM
Non-controlling interests	388	382	1.6	1,658	1,442	15.0
<b>Profit/(loss) for the period/year</b>	<b>2,556</b>	<b>1,760</b>	45.2	<b>3,614</b>	<b>(1,123)</b>	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 31 December			12 months ended 31 December		
	4Q FY2017 S\$'000	4Q FY2016 S\$'000	+/(-) %	12M FY2017 S\$'000	12M FY2016 S\$'000	+/(-) %
<b>Profit/(loss) for the period/year</b>	<b>2,556</b>	<b>1,760</b>	<b>45.2</b>	<b>3,614</b>	<b>(1,123)</b>	<b>NM</b>
<b>Other comprehensive income</b>						
<b><i>Items that will not be reclassified to profit or loss</i></b>						
Defined benefit plan remeasurement	193	201	(4)	193	201	(4)
Tax on items that will not be reclassified to profit or loss	(40)	(40)	-	(40)	(40)	-
	153	161	(5)	153	161	(5)
<b><i>Items that are or may be reclassified subsequently to profit or loss</i></b>						
Net change in fair value of available-for-sale financial assets (i)	295	1,075	(72.6)	893	1,415	(36.9)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(694)	-	NM	(2,361)	-	NM
Foreign currency translation differences of foreign operations	468	989	(52.7)	639	1,344	(52.5)
Tax on other comprehensive income (ii)	81	(188)	NM	263	(246)	NM
	150	1,876	(92.0)	(566)	2,513	NM
<b>Other comprehensive income for the period/year, net of tax</b>	<b>303</b>	<b>2,037</b>	<b>(85.1)</b>	<b>(413)</b>	<b>2,674</b>	<b>NM</b>
<b>Total comprehensive income for the period/year</b>	<b>2,859</b>	<b>3,797</b>	<b>(24.7)</b>	<b>3,201</b>	<b>1,551</b>	<b>106.4</b>
Attributable to:						
<b>Owners of the Company</b>	<b>2,336</b>	<b>3,096</b>	<b>(24.5)</b>	<b>1,284</b>	<b>(279)</b>	<b>NM</b>
Non-controlling interests	523	701	(25.4)	1,917	1,830	4.8
	2,859	3,797	(24.7)	3,201	1,551	106.4

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

**Notes:**

- (i) Net change in fair value of available-for-sale financial assets was mainly due to mark-to-market gain on property-related projects and an equity investment in a finance company.
- (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.

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

	3 months ended 31 December			12 months ended 31 December		
	4Q FY2017	4Q FY2016	+ / (-)	12M FY2017	12M FY2016	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Investment income						
- dividend, fee and interest income	820	419	95.7	2,365	2,176	8.7
- gain on disposal of equity securities	603	13	NM	1,104	242	NM
- gain on partial redemption of convertible loan	504	-	NM	2,171	-	NM
- net change in fair value of financial assets at fair value through profit or loss	300	(128)	NM	761	(7)	NM
- amortisation of held-to-maturity debt securities	(10)	(18)	(44.4)	(52)	(58)	(10.3)
- exchange (loss)/gain	(120)	110	NM	(546)	56	NM
	<u>2,097</u>	<u>396</u>	<u>NM</u>	<u>5,803</u>	<u>2,409</u>	<u>140.9</u>
Gain on disposal of property, plant and equipment	8	1	NM	8	91	(91.2)
Amortisation of intangible assets	(92)	(116)	(20.7)	(410)	(442)	(7.2)
Depreciation of property, plant and equipment	(288)	(287)	0.3	(1,165)	(1,110)	5.0
Foreign currency differences						
- exchange (loss)/gain	(5)	114	NM	(211)	(11)	NM
- realised (loss)/gain on foreign exchange contracts	-	(1)	NM	-	122	NM
- fair value gain/(loss) on foreign exchange forward contracts	7	3	133.3	7	(307)	NM
	<u>(370)</u>	<u>(286)</u>	<u>29.4</u>	<u>(1,771)</u>	<u>(1,657)</u>	<u>6.9</u>
Reversal of/(provision for) unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	2,120	(1,166)	NM	5,727	(4,095)	NM
- reinsurers' share of change in provision for unexpired risks	(1,521)	1,139	NM	(2,519)	(506)	NM
	<u>599</u>	<u>(27)</u>	<u>NM</u>	<u>3,208</u>	<u>(4,601)</u>	<u>NM</u>
Claims incurred, net of reinsurers' share						
- net of change in provision for insurance claims	2,143	75	NM	(2,765)	482	NM
- net claims paid	(3,266)	(429)	NM	(8,053)	(2,830)	184.6
	<u>(1,123)</u>	<u>(354)</u>	<u>NM</u>	<u>(10,818)</u>	<u>(2,348)</u>	<u>NM</u>

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

	3 months ended			12 months ended		
	31 December			31 December		
	4Q FY2017	4Q FY2016	+ / (-)	12M FY2017	12M FY2016	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Reversal of/(allowance for) loan losses and impairment of investments						
- collective provision - loans and receivables	92	(207)	NM	368	1,243	(70.4)
- specific provision - loans and receivables	(245)	(166)	47.6	(1,405)	(4,358)	(67.8)
- specific provision - interest accrual on non-performing accounts	(608)	(603)	0.8	(2,336)	(4,389)	(46.8)
- insurance and other receivables	126	6	NM	(100)	(258)	(61.2)
- impairment of repossessed assets	-	(17)	NM	-	(96)	NM
- debts written off	-	(7)	NM	-	(26)	NM
- investments	-	-	NM	-	(500)	NM
	(635)	(994)	(36.1)	(3,473)	(8,384)	(58.6)
Tax expenses						
- current tax expense	(461)	(318)	45.0	(1,692)	(1,138)	48.7
- deferred tax expense	(87)	(176)	(50.6)	(472)	(298)	58.4
- underprovision of prior years' tax	-	81	NM	-	81	NM
	(548)	(413)	32.7	(2,164)	(1,355)	59.7

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	14,893	15,697	13,342	13,898
Intangible assets	465	588	119	100
Investment properties	3,756	3,914	-	-
Subsidiaries	-	-	86,897	85,747
Other investments	54,377	49,194	5,262	8,134
Loans, advances, hire purchase and leasing receivables	54,736	43,004	44,513	35,957
Deferred tax assets	5,308	5,434	391	660
	<b>133,535</b>	<b>117,831</b>	<b>150,524</b>	<b>144,496</b>
<b>Current assets</b>				
Reinsurers' share of insurance contract provisions	3,649	7,047	-	-
Insurance receivables	1,225	1,933	-	-
Loans, advances, hire purchase and leasing receivables	52,587	61,685	39,720	49,451
Trade and other receivables	169,334	153,681	52,665	54,470
Other investments	15,622	29,542	659	553
Cash and cash equivalents	35,064	33,724	12,163	12,029
	<b>277,481</b>	<b>287,612</b>	<b>105,207</b>	<b>116,503</b>
<b>Total assets</b>	<b>411,016</b>	<b>405,443</b>	<b>255,731</b>	<b>260,999</b>
<b>Equity</b>				
Share capital	137,302	137,302	137,302	137,302
Other reserves	(3,370)	(2,651)	379	978
Accumulated profits	18,359	16,356	24,696	21,140
<b>Equity attributable to owners of the Company</b>	<b>152,291</b>	<b>151,007</b>	<b>162,377</b>	<b>159,420</b>
Non-controlling interests	14,024	12,618	-	-
<b>Total equity</b>	<b>166,315</b>	<b>163,625</b>	<b>162,377</b>	<b>159,420</b>
<b>Non-current liabilities</b>				
Interest-bearing borrowings	9,412	13,033	4,000	10,938
Employee benefits	1,145	1,118	-	-
Deferred tax liabilities	375	339	-	-
	<b>10,932</b>	<b>14,490</b>	<b>4,000</b>	<b>10,938</b>
<b>Current liabilities</b>				
Trade and other payables	10,894	11,540	5,444	6,778
Insurance payables	1,967	2,273	-	-
Interest-bearing borrowings	198,377	187,390	83,894	83,863
Insurance contract provisions for				
- gross unexpired risks	10,029	15,756	-	-
- gross unexpired claims	11,710	9,824	-	-
Current tax payable	792	545	16	-
	<b>233,769</b>	<b>227,328</b>	<b>89,354</b>	<b>90,641</b>
<b>Total liabilities</b>	<b>244,701</b>	<b>241,818</b>	<b>93,354</b>	<b>101,579</b>
<b>Total equity and liabilities</b>	<b>411,016</b>	<b>405,443</b>	<b>255,731</b>	<b>260,999</b>

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

	<b>Unsecured</b>	
	<b>As at 31-Dec-17</b>	<b>As at 31-Dec-16</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on demand	198,377	187,390
Amount repayable after one year	9,412	13,033
	<b>207,789</b>	<b>200,423</b>

**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 31 December		12 months ended 31 December	
	4Q FY2017	4Q FY2016	12M FY2017	12M FY2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period	2,556	1,760	3,614	(1,123)
Adjustments for:				
Amortisation of intangible assets and held-to-maturity debt securities	102	134	462	500
Net foreign exchange (gain)/loss	427	(49)	399	91
Derivative financial instrument	-	(3)	-	307
Depreciation of property, plant and equipment	291	287	1,168	1,110
(Gain)/loss on disposal of equity securities	(603)	(13)	(1,104)	(242)
Gain on partial redemption of convertible loans	(504)	-	(2,171)	-
Gain on disposal of property, plant and equipment	(8)	(1)	(8)	(91)
Net change in fair value of financial assets at fair value through profit or loss	(300)	128	(761)	7
Allowance for impairment of investments	-	-	-	500
(Reversal of)/provision for, net of reinsurers' share				
- unexpired risks	(599)	27	(3,208)	4,601
- insurance claims	(2,143)	(75)	2,765	(482)
Interest income	(6,255)	(5,326)	(24,612)	(22,668)
Interest income from investments and fixed deposits	(337)	(295)	(1,281)	(1,301)
Dividend income from investments	(484)	(124)	(1,085)	(875)
Interest expense	1,392	1,386	5,583	6,235
Fixed assets writted off	-	1	-	1
Tax expense	548	413	2,164	1,355
<b>Operating cash flows before changes in working capital</b>	<b>(5,917)</b>	<b>(1,750)</b>	<b>(18,075)</b>	<b>(12,075)</b>
<b>Changes in working capital</b>				
Factoring receivables	(2,525)	(17,917)	(11,317)	(23,083)
Factoring amounts due to clients	(2,182)	3,360	(3,717)	3,389
Loans, advances, hire purchase and lease receivables	(2,534)	(19,977)	(2,452)	7,004
Insurance and other receivables	(153)	528	295	(45)
Trade, other and insurance payables	(1,873)	1,167	(834)	2,114
<b>Cash used in operations</b>	<b>(15,184)</b>	<b>(34,589)</b>	<b>(36,100)</b>	<b>(22,696)</b>
Interest received	6,595	5,475	25,967	23,905
Interest paid	(1,373)	(1,459)	(5,514)	(6,726)
Taxes paid, net	(51)	(69)	(1,457)	(1,187)
<b>Net cash used in operating activities</b>	<b>(10,013)</b>	<b>(30,642)</b>	<b>(17,104)</b>	<b>(6,704)</b>



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 31 December		12 months ended 31 December	
	4Q FY2017	4Q FY2016	12M FY2017	12M FY2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	8	-	9	92
Purchase of property, plant and equipment	(38)	(50)	(91)	(1,762)
Purchase of intangible assets	(153)	(48)	(285)	(252)
Purchase of investments	(6,878)	(21,805)	(48,508)	(36,685)
Proceeds from disposal of investments	7,751	12,701	59,216	31,703
Dividend received from investments	484	124	1,085	875
<b>Net cash generated from/(used in) investing activities</b>	<b>1,174</b>	<b>(9,078)</b>	<b>11,426</b>	<b>(6,029)</b>
<b>Cash flows from financing activities</b>				
Dividends paid				
- by a subsidiary company to non-controlling interests	-	-	(511)	(680)
Proceeds from/(repayment of) interest-bearing borrowings	2,967	(23,549)	7,366	(36,035)
Proceeds from issue of Rights Shares, net of expenses	-	49,270	-	49,270
<b>Net cash generated from financing activities</b>	<b>2,967</b>	<b>25,721</b>	<b>6,855</b>	<b>12,555</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,872)</b>	<b>(13,999)</b>	<b>1,177</b>	<b>(178)</b>
Cash and cash equivalents at beginning of period	40,858	47,530	33,724	33,651
Effect of exchange rate fluctuations on cash held	78	193	163	251
<b>Cash and cash equivalents at end of period</b>	<b>35,064</b>	<b>33,724</b>	<b>35,064</b>	<b>33,724</b>
<b>Analysis of cash and cash equivalents</b>				
Fixed deposits	11,773	20,241	11,773	20,241
Cash at banks and on hand	23,291	13,483	23,291	13,483
<b>Cash and cash equivalents at end of period</b>	<b>35,064</b>	<b>33,724</b>	<b>35,064</b>	<b>33,724</b>

**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.**

	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			
<b>Group</b>								
<b>2017</b>								
<b>At 1 January 2017</b>	137,302	38	4,663	(7,352)	16,356	151,007	12,618	163,625
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	1,956	1,956	1,658	3,614
<i>Other comprehensive income</i>								
Foreign currency translation differences	-	-	-	416	-	416	223	639
Net change in fair value of available-for-sale financial assets	-	-	893	-	-	893	-	893
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	(2,361)	-	-	(2,361)	-	(2,361)
Defined benefit plan remeasurements	-	-	-	-	148	148	45	193
Tax on other comprehensive income	-	-	263	-	(31)	232	(9)	223
<i>Total other comprehensive income</i>	-	-	(1,205)	416	117	(672)	259	(413)
<b>Total comprehensive income for the year</b>	-	-	(1,205)	416	2,073	1,284	1,917	3,201
<b>Transactions with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Capitalisation of statutory legal reserves of a subsidiary	-	70	-	-	(70)	-	-	-
<b>Total contributions by and distributions to owners</b>	-	70	-	-	(70)	-	-	-
<b>Changes in ownership interests in subsidiaries</b>								
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	(511)	(511)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	(511)	(511)
<b>Total transactions with owners</b>	-	70	-	-	(70)	-	(511)	(511)
<b>At 31 December 2017</b>	137,302	108	3,458	(6,936)	18,359	152,291	14,024	166,315

**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)

	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			
<b>Group</b>								
<b>2016</b>								
<b>At 1 January 2016</b>	88,032	38	3,494	(8,350)	18,802	102,016	11,468	113,484
<b>Total comprehensive income for the year</b>								
(Loss)/profit for the year	-	-	-	-	(2,565)	(2,565)	1,442	(1,123)
<i>Other comprehensive income</i>								
Foreign currency translation differences	-	-	-	998	-	998	346	1,344
Net change in fair value of available-for-sale financial assets	-	-	1,415	-	-	1,415	-	1,415
Defined benefit plan remeasurements	-	-	-	-	119	119	42	161
Tax on other comprehensive income	-	-	(246)	-	-	(246)	-	(246)
<i>Total other comprehensive income</i>	-	-	1,169	998	119	2,286	388	2,674
<b>Total comprehensive income for the year</b>	-	-	1,169	998	(2,446)	(279)	1,830	1,551
<b>Transactions with owners, recognised directly in equity</b>								
<i>Contributions by and distributions to owners</i>								
Rights issue of shares, net of expenses	49,270	-	-	-	-	49,270	-	49,270
<b>Total contributions by and distributions to owners</b>	49,270	-	-	-	-	49,270	-	49,270
<i>Changes in ownership interests in subsidiaries</i>								
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	(680)	(680)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	(680)	(680)
<b>Total transactions with owners</b>	49,270	-	-	-	-	49,270	(680)	48,590
<b>At 31 December 2016</b>	137,302	38	4,663	(7,352)	16,356	151,007	12,618	163,625

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)

<b>Company</b>	<b>Share capital S\$'000</b>	<b>Fair value reserve S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
<b>2017</b>				
<b>At 1 January 2017</b>	137,302	978	21,140	159,420
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	3,556	3,556
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	528	-	528
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(1,249)	-	(1,249)
Tax on other comprehensive income	-	122	-	122
<i>Total other comprehensive income</i>	-	(599)	-	(599)
<b>Total comprehensive income for the year</b>	-	(599)	3,556	2,957
<b>At 31 December 2017</b>	137,302	379	24,696	162,377
<b>2016</b>				
<b>At 1 January 2016</b>	88,032	894	21,347	110,273
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(207)	(207)
<i>Other comprehensive income</i>				
Net change in fair value of available-for-sale financial assets	-	101	-	101
Tax on other comprehensive income	-	(17)	-	(17)
<i>Total other comprehensive income</i>	-	84	-	84
<b>Total comprehensive income for the year</b>	-	84	(207)	(123)
Issue of Rights Shares, net of expenses	49,270	-	-	49,270
<b>At 31 December 2016</b>	137,302	978	21,140	159,420

- 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.**

	<b>Number of Ordinary Shares (excluding Treasury Shares)</b>	
	<b>As at 31 Dec 2017</b>	<b>As at 31 Dec 2016</b>
Balance at beginning of the period	375,969,665	150,387,866
Rights issue of shares	-	225,581,799
<b>Balance at end of the period</b>	<b>375,969,665</b>	<b>375,969,665</b>

During the 4<sup>th</sup> quarter of 2016, the Company undertake a renounceable non-underwritten rights issue ("**Rights Issue**") of up to 225,581,799 new ordinary shares in the share capital of the Company ("**Rights Shares**") at an issue price of S\$0.22 for each Rights Share on the basis of three (3) Rights Shares for every two (2) existing ordinary shares in the share capital of the Company ("**Shares**").

The Rights Shares was issued and allotted on 14 October 2016 and listed for quotation on the Mainboard of the SGX-ST on 17 October 2016. The Rights Shares rank pari passu in all respects with the Shares.

There were no outstanding convertibles as at 31 December 2017 and 31 December 2016.

- 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 31 December 2017 and 31 December 2016, the issued and paid up share capital excluding treasury shares of the Company comprised of 375,969,665 (31 December 2016: 375,969,665) ordinary shares.

The Company does not hold any treasury shares as at 31 December 2017 and 31 December 2016.

- 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.**

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

- 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.**

The accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements for the year ended 31 December 2016 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on 1 January 2017. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group

**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.**

Not applicable.

**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 31 December		12 months ended 31 December	
	4Q FY2017	4Q FY2016	12M FY2017	12M FY2016
- on weighted-average number of ordinary shares in issue	0.58 cents	0.41 cents	0.52 cents	(1.30) cents
- on fully diluted basis	0.58 cents	0.41 cents	0.52 cents	(1.30) cents
<b>Net profit attributable to shareholders:</b>	<b>\$2,168,000</b>	<b>\$1,378,000</b>	<b>\$1,956,000</b>	<b>\$(2,565,000)</b>
<b>Number of shares in issue</b>				
- on weighted-average number of ordinary shares in issue	375,969,665	336,738,048	375,969,665	197,229,988
- on fully diluted basis	375,969,665	336,738,048	375,969,665	197,229,988

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	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net Asset Value (NAV) per ordinary share	40.5 cents	40.2 cents	43.2 cents	42.4 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**

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

	3 months ended 31 December			12 months ended 31 December		
	4Q FY2017 S\$'000	4Q FY2016 S\$'000	+/(-) %	12M FY2017 S\$'000	12M FY2016 S\$'000	+/(-) %
Factoring	3,395	2,999	13.2	13,136	11,355	15.7
Loans, advances, hire purchase and leasing	2,119	1,687	25.6	8,364	7,182	16.5
Facility fee	41	94	(56.4)	271	217	24.9
<b>Interest income excluding NPLs</b>	<b>5,555</b>	<b>4,780</b>	<b>16.2</b>	<b>21,771</b>	<b>18,754</b>	<b>16.1</b>
Non-performing loans (NPLs)	700	546	28.2	2,841	3,914	(27.4)
<b>Interest income</b>	<b>6,255</b>	<b>5,326</b>	<b>17.4</b>	<b>24,612</b>	<b>22,668</b>	<b>8.6</b>
Interest expense	(1,392)	(1,386)	0.4	(5,583)	(6,235)	(10.5)
<b>Net interest income</b>	<b>4,863</b>	<b>3,940</b>	<b>23.4</b>	<b>19,029</b>	<b>16,433</b>	<b>15.8</b>

Interest income excluding NPLs for the fourth quarter 2017 ("4Q FY2017") and twelve months ended 31 December 2017 ("12M FY2017") increased by 16.2% and 16.1% respectively compared to the corresponding periods in 2016 ("4Q FY2016" and "12M FY2016") mainly due to higher interest income earned from factoring business. Factoring volume increased by approximately \$35.4 million and \$172.2 million when compared to 4Q FY2016 and 12M FY2016 respectively.

Interest expense fell during 12M FY2017 compared to corresponding periods mainly due to lower average borrowing. A large part of the rights issue proceeds raised in October 2016 were utilised to repay the Group's interest bearing loans during 4Q FY2016.

Consequently, net interest income margin improved from 5.6% in 4Q FY2016 to 6.3% in 4Q FY2017, and 5.5% in 12M FY2016 to 6.2% in 12M FY2017.

#### **Non-interest income**

Non-interest income increased by 11.3% to \$5.8 million during 4Q FY2017 (4Q FY2016: \$5.3 million) and 39.2% to \$24.0 million during 12M FY2017 (12M FY2016: \$17.3 million) mainly contributed by higher net earned premium for the year ended 12M FY2017 and higher investment income for the period/year ended 4Q FY2017 and 12M FY2017.

The increase of net earned premium of \$4.2 million during 12M FY2017 was mainly due to the release of prior years unearned premiums.

Compared to 4Q FY2016 and 12M FY2016, investment income increased by 429.6% and 140.9% respectively contributed by redemption of convertible loans, gain on disposal of investments, and net change in fair value of investments.

## Net claims incurred

Net claims incurred in 4Q FY2017 and 12M FY2017 increased by \$0.8 million and \$8.5 million respectively.

The higher net claims incurred in FY2017 arose mainly from motor claim of \$8.0 million, workman injury compensation claims of \$1.5 million, and the bond call of \$1.2 million.

## Allowances and Impairments

	3 months ended 31 December			12 months ended 31 December		
	4Q FY2017	4Q FY2016	+/(-) %	12M FY2017	12M FY2016	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Specific provision						
- on principals	245	162	51.2	1,405	4,355	(67.7)
- on interests	608	603	0.8	2,336	4,389	(46.8)
Collective provision	(92)	208	NM	(368)	(1,243)	(70.4)
Others	(126)	21	NM	100	883	(88.7)
<b>Allowances and Impairments</b>	<b>635</b>	<b>994</b>	<b>(36.1)</b>	<b>3,473</b>	<b>8,384</b>	<b>(58.6)</b>

The amount of specific provision (on principals) of \$1.4 million made in 12M FY2017 relates mainly to legacy accounts. Specific provision (on principals) is significantly lower compared to previous corresponding periods as provision for a significant portion of the non-performing loans ("NPL") have already been made in previous years.

Collective provision was provided on the remaining loans and receivables which were grouped according to their risk characteristics and collectively assessed taking into account the historical loss experience on such loans and receivables.

## Profit before tax

As the result of achieving a higher revenue, and lower provision for impairment, the Group managed to record a pre-tax profit of \$3.1 million and \$5.8 million for 4Q FY2017 and 12M FY2017 respectively (4Q FY2016: \$2.2 million; and 12M FY2016: \$0.2 million).

## Cash flows from operating activities

The Group recorded a net cash outflow of \$10.0 million and \$17.1 million for 4Q FY2017 and 12M FY2017 respectively (4Q FY2016: net cash outflow of \$30.6 million; 12M FY2016: net cash outflow of \$6.7 million).

Operating activities were in a net cash outflow position for 4Q FY2017 and 12M FY2017 mainly due to the increase in factoring and loans activities compared to the prior periods.

## Cash flows from investing activities

The net cash flow for 4Q FY2017 and 12M FY2017 was an inflow of \$1.2 million and \$11.4 million respectively (4Q FY2016: net cash outflow of \$9.1 million; 12M FY2016: net cash outflow of \$6.0 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 4Q FY2017 and 12M FY2017 were as follows:

	Purchase of investments		Proceeds from redemption / disposal of investments	
	4Q FY2017 S\$'000	12M FY2017 S\$'000	4Q FY2017 S\$'000	12M FY2017 S\$'000
<u>ECICS Limited</u> *				
- Quoted equity securities	3,352	19,238	1,205	23,170
- Quoted debt securities	3,526	29,270	4,388	28,828
<u>IFS Group</u> (excluding ECICS Limited)	-	-	2,158	7,218
<b>Total</b>	<b>6,878</b>	<b>48,508</b>	<b>7,751</b>	<b>59,216</b>

\* 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 used-in or generated from financing activities resulted from the repayment of or additional drawdown of interest-bearing borrowings to meet lending activities requirement.

### Cash and cash equivalents

As a result of the net cash outflows from operating activities overshadowing net cash inflows from investing and financing activities, we recorded a net decrease in cash and cash equivalents in 4Q FY2017.

For 12M FY2017, 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 in 12M FY2017.

### Trade and other receivables

Trade and other receivables increased by \$15.7 million to \$169.3 million in 12M FY2017 due to higher factoring receivables from increased activities during the year.

### Interest-bearing borrowings

Interest-bearing borrowings (non-current and current portions) increased by \$7.4 million (3.7%) to \$207.8 million due to the additional drawdowns to fund increased lending activities.

## 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 third quarter results announcement for the period 30 September 2017 dated 10 November 2017.

**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.**

Our core business, which is factoring and lending within our defined target market, is gaining momentum across all countries. This has enabled us to achieve positive results for the financial year 2017. We recognise that our insurance business continues to be a drag on the Group's profitability. We have identified the root causes and are in the process of remedying the issues. We are committed to restoring the financial health of our insurance arm.

Going forward, our strategy is three-fold. One is to stabilise ECICS with better underwriting discipline. Second is to further strengthen our core factoring and lending business in all the countries we operate in. The third is to stay ahead of disruptions in the finance sector by building digital platforms to complement our existing operations. As we do so, we need to ensure that our business can be scalable without necessarily increasing our cost. Our aim is to provide a better customer experience for our clients and thereby gain their confidence and business.

Barring unforeseen events, we expect the Group to remain profitable in 2018.

**11 Dividend**

**(a) Current Financial Period**

Name of Dividend	First and Final
Dividend Type	Cash (Ordinary)
Dividend Rate	0.30 Singapore cents per share
Tax Rate	One-tier tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Nil

**(c) Date Payable**

10 May 2018, subject to the approval of the Shareholders for the proposed first and final dividend at the Annual General Meeting.

**(d) Books closure date**

Subject to the approval of the Shareholders for the proposed first and final dividend at the Annual General Meeting, the Share Transfer Books and the Register of Members of the Company will be closed on 30 April 2018, for the purpose of determining shareholders' entitlements to the proposed first and final one-tier tax exempt ordinary cash dividend for the year ended 31 December 2017.

Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 up to the close of business at 5.00 p.m. on 27 April 2018 will be registered before entitlements to the proposed first and final dividend are determined. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 27 April 2018 will be entitled to the proposed first and final dividend.

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

Not applicable.

**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.

**15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments**

	<b>Credit Financing S\$'000</b>	<b>Insurance S\$'000</b>	<b>Private equity and other investments S\$'000</b>	<b>Total S\$'000</b>
<b>2017</b>				
<b>Operating results</b>				
Total operating results	32,076	13,388	2,709	48,173
Reportable segment profit/(loss) before tax	5,892	(3,551)	3,437	5,778
Net interest income	19,029	-	-	19,029
Net earned premium revenue	-	11,071	-	11,071
Non-interest income	7,098	2,381	3,486	12,965
Other material non-cash items:				
- Provisions for loan losses and impairment of other assets	(3,453)	(20)	-	(3,473)
- Depreciation and amortisation	(1,321)	(254)	-	(1,575)
<b>Assets and liabilities</b>				
Reportable segment assets	318,752	61,234	25,196	405,182
Capital expenditure	251	158	-	409
Reportable segment liabilities	218,024	25,032	495	243,551
<b>2016</b>				
<b>Operating results</b>				
Total operating results	29,366	9,159	817	39,342
Reportable segment profit/(loss) before tax	593	(927)	566	232
Net interest income	16,433	-	-	16,433
Net earned premium revenue	-	6,843	-	6,843
Non-interest income	7,262	2,322	846	10,430
Other material non-cash items:				
- Provisions for loan losses and impairment of other assets	(7,900)	(484)	-	(8,384)
- Depreciation and amortisation	(1,243)	(309)	-	(1,552)
<b>Assets and liabilities</b>				
Reportable segment assets	299,094	69,903	30,459	399,456
Capital expenditure	266	64	-	330
Reportable segment liabilities	211,194	29,268	479	240,941

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (Continued)**

**Geographical segments**

	<b>Operating income S\$'000</b>	<b>Non-current assets S\$'000</b>	<b>Total assets S\$'000</b>
<b>2017</b>			
Singapore	27,429	13,671	215,420
Thailand	16,455	5,278	175,177
Malaysia	2,301	139	9,747
Indonesia	1,988	26	10,041
Others	-	-	631
	<b>48,173</b>	<b>19,114</b>	<b>411,016</b>
<b>2016</b>			
Singapore	19,873	14,300	231,208
Thailand	14,400	5,720	154,659
Malaysia	3,089	165	10,620
Indonesia	1,980	14	8,317
Others	-	-	639
	<b>39,342</b>	<b>20,199</b>	<b>405,443</b>

- 16 **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 8.

- 17 **A breakdown of sales as follows:-**

	<b>FY2017 S\$'000</b>	<b>FY2016 S\$'000</b>	<b>+/( -) %</b>
Sales reported for first half year	23,354	19,667	18.7
Operating profit after tax before deducting non-controlling interests reported for first half year	934	716	30.4
Sales report for second half year	24,819	19,675	26.1
Operating profit after tax before deducting non-controlling interests reported for second half year	2,680	(1,839)	NM

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

	<b>FY2017 S\$'000</b>	<b>FY2016 S\$'000</b>	<b>+/( -) %</b>
<b>Ordinary</b>			
First and Final	-	-	NM
Proposed First and Final	1,128	-	NM
Total	1,128	-	NM

- 19 **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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lim Wah Tong	61	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**  
 23 February 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 fourth quarter and full year ended 31 December 2017 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  
23 February 2018