

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

**Condensed Interim Financial Statements
For the six months and full year ended 31 December 2022**

TABLE OF CONTENTS

Item No.	Description	Page No.
A	Condensed interim consolidated statement of profit or loss and other comprehensive income	1-2
B	Condensed interim statements of financial position	4
C	Condensed interim statements of changes in equity	5 – 7
D	Condensed interim consolidated statements of cash flows	8 – 9
E	Notes to condensed interim consolidated financial statements	10
	Other information required by Listing Rule Appendix 7.2	20

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

	6 months ended			12 months ended		
	31 December		+ / (-) %	31 December		+ / (-) %
	2H FY2022	2H FY2021		12M FY2022	12M FY2021	
Note	S\$'000	S\$'000		S\$'000	S\$'000	
Interest income	12,854	18,453	(30.3)	22,848	30,821	(25.9)
Interest expense	(1,973)	(1,726)	14.3	(3,501)	(3,925)	(10.8)
Net interest income	10,881	16,727	(34.9)	19,347	26,896	(28.1)
Gross written premiums	2,056	2,052	0.2	6,837	4,494	52.1
Change in gross provision for unexpired risks	1,358	827	64.2	(408)	1,773	NM
Gross earned premium revenue	3,414	2,879	18.6	6,429	6,267	2.6
Written premiums ceded to reinsurers	(995)	(434)	129.3	(1,332)	(663)	100.9
Reinsurers' share of change in provision for unexpired risks	279	(345)	NM	279	(206)	NM
Reinsurance premium expense	(716)	(779)	(8.1)	(1,053)	(869)	21.2
Net earned premium revenue (i)	2,698	2,100	28.5	5,376	5,398	(0.4)
Fee and commission income	3,638	3,149	15.5	7,084	6,380	11.0
Investment income	(542)	(55)	NM	(153)	785	NM
Other income	453	581	(22.0)	944	914	3.3
Sub-total (ii)	3,549	3,675	(3.4)	7,875	8,079	(2.5)
Non-interest income (i) + (ii)	6,247	5,775	8.2	13,251	13,477	(1.7)
Grant income	8	19	(57.9)	23	19	21.1
Income before operating expenses	17,136	22,521	(23.9)	32,621	40,392	(19.2)
Business development expenses	(372)	(266)	39.8	(577)	(457)	26.3
Commission expenses	(746)	(469)	59.1	(1,351)	(1,100)	22.8
Staff costs	(8,058)	(8,593)	(6.2)	(15,203)	(16,021)	(5.1)
General and administrative expenses	(2,909)	(3,865)	(24.7)	(6,075)	(7,324)	(17.1)
Operating expenses	(12,085)	(13,193)	(8.4)	(23,206)	(24,902)	(6.8)
Change in provision for insurance claims	2,694	2,178	23.7	4,083	3,653	11.8
Reinsurers' share of change in provision for insurance claims	(1,156)	(755)	53.1	(2,372)	(756)	NM
Gross claims paid	(1,618)	(1,558)	3.9	(3,465)	(4,386)	(21.0)
Reinsurers' share of claims paid	47	7	NM	(41)	-	(100.0)
Net claims incurred	(33)	(128)	(74.2)	(1,795)	(1,489)	20.6
Operating profit before allowances	5,018	9,200	(45.5)	7,620	14,001	(45.6)
Allowances for loan losses and impairment of other assets	(874)	(411)	112.7	(1,193)	(1,312)	(9.1)
Profit before tax	4,144	8,789	(52.9)	6,427	12,689	(49.3)
Tax expense	(774)	(2,172)	(64.4)	(1,571)	(3,040)	(48.3)
Profit for the period	3,370	6,617	(49.1)	4,856	9,649	(49.7)
Profit attributable to:						
Owners of the Company	2,430	5,732	(57.6)	3,059	7,951	(61.5)
Non-controlling interests	940	885	6.2	1,797	1,698	5.8
Profit for the period	3,370	6,617	(49.1)	4,856	9,649	(49.7)

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

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

Note	6 months ended 31 December			12 months ended 31 December		
	2H FY2022	2H FY2021	+ / (-)	12M FY2022	12M FY2021	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	3,370	6,617	(49.1)	4,856	9,649	(49.7)
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Defined benefit plan remeasurement	167	9	NM	167	9	NM
Tax on other comprehensive income	-	-	NM	(2)	-	NM
	167	9	NM	165	9	NM
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences of foreign operations	(2,409)	(1,961)	22.8	(4,416)	(5,490)	(19.6)
	(2,409)	(1,961)	22.8	(4,416)	(5,490)	(19.6)
Other comprehensive income for the period, net of tax	(2,242)	(1,952)	14.9	(4,251)	(5,481)	(22.4)
Total comprehensive income for the period	1,128	4,665	(75.8)	605	4,168	(85.5)
Attributable to:						
Owners of the Company	365	4,390	(91.7)	(595)	3,957	NM
Non-controlling interests	763	275	177.5	1,200	211	NM
	1,128	4,665	(75.8)	605	4,168	(85.5)

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

	6 months ended 30 June		12 months ended 31 December	
	2H FY2022	2H FY2021	12M FY2022	12M FY2021
Earnings Per Ordinary Share				
- on weighted-average number of ordinary shares in issue	0.65 cents	1.52 cents	0.81 cents	2.11 cents
- on fully diluted basis	0.65 cents	1.52 cents	0.81 cents	2.11 cents
Net profit attributable to shareholders:	\$2,430,000	\$5,732,000	\$3,059,000	\$7,951,000
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

Notes:

- (i) Foreign currency translation differences of foreign operations arose mainly from the translation of financial statements of foreign operations whose functional currencies are Thai Baht, Malaysian Ringgit and Indonesian Rupiah.

The foreign currency translation differences of foreign operations in 2H FY2022 and 12M FY2022 were largely due to the weakening of the Thai Baht against Singapore dollars in 2022.

Exchange rates for the respective reporting period were as follows:

	31-Dec 2022	30-Jun 2022	31-Dec 2021	30-Jun 2021
THB against SGD	26.017	25.652	25.025	24.141
MYR against SGD	3.2841	3.1586	3.0845	3.0855
IDR against SGD	11,659	10,685	10,534	10,781

B. Condensed interim statements of financial position

	Note	Group		Company	
		31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 S\$'000	31/12/2021 S\$'000
Non-current assets					
Property, plant and equipment	11	1,217	1,535	171	231
Intangible assets	12	332	505	269	423
Investment properties	13	2,052	2,319	-	-
Subsidiaries		-	-	96,133	95,133
Other investments	10	12,703	12,745	19,000	5,214
Loans, advances, hire purchase and leasing receivables		47,855	18,164	35,620	11,709
Deferred tax assets		3,112	3,179	-	-
Right-of-use assets		3,687	1,753	3,247	1,149
		70,958	40,200	154,440	113,859
Current assets					
Reinsurers' share of insurance contract provisions		1,378	4,026	-	-
Insurance receivables		638	536	-	-
Loans, advances, hire purchase and leasing receivables		139,146	83,471	55,623	64,604
Trade and other receivables		118,855	146,867	58,438	18,837
Property held for sale		85	360	-	-
Other investments	10	13,090	13,226	-	-
Cash and cash equivalents		53,780	112,563	19,020	79,941
		326,972	361,049	133,081	163,382
Total assets		397,930	401,249	287,521	277,241
Equity					
Share capital	15	137,302	137,302	137,302	137,302
Other reserves		(5,261)	(1,498)	-	-
Accumulated profits		43,394	43,151	45,907	48,276
Equity attributable to owners of the Company		175,435	178,955	183,209	185,578
Non-controlling interests		23,143	17,305	-	-
Total equity		198,578	196,260	183,209	185,578
Non-current liabilities					
Interest-bearing borrowings	14	20,666	25,250	16,888	17,767
Employee benefits		1,426	1,558	-	-
Deferred tax liabilities		84	109	84	90
Lease liabilities		3,031	1,048	3,245	489
		25,207	27,965	20,217	18,346
Current liabilities					
Trade and other payables		11,549	15,025	4,190	9,827
Insurance payables		1,505	1,304	-	-
Interest-bearing borrowings	14	148,874	143,153	79,764	61,818
Insurance contract provisions for - gross unexpired risks		4,063	4,212	-	-
- gross unexpired claims		6,373	10,455	-	-
Lease liability		741	827	-	703
Current tax payable		1,040	2,048	141	969
		174,145	177,024	84,095	73,317
Total liabilities		199,352	204,989	104,312	91,663
Total equity and liabilities		397,930	401,249	287,521	277,241

C. Condensed interim statements of changes in equity

<u>Group</u> 2022	Note	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	Translation reserve S\$'000	Accumulated profits S\$'000			
At 1 January 2022		137,302	108	(1,606)	43,151	178,955	17,305	196,260
Total comprehensive income for the period								
Profit for the period		-	-	-	3,059	3,059	1,797	4,856
<i>Other comprehensive income</i>								
Foreign currency translation differences		-	-	(3,763)	-	(3,763)	(597)	(4,360)
Defined benefit plan remeasurements		-	-	-	118	118	-	118
Tax on other comprehensive income		-	-	-	(1)	(1)	-	(1)
<i>Total other comprehensive income</i>		-	-	(3,763)	117	(3,646)	(597)	(4,243)
Total comprehensive income for the period		-	-	(3,763)	3,176	(587)	1,200	613
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid to owners of the Company	8	-	-	-	(2,933)	(2,933)	-	(2,933)
Total contributions by and distributions to owners		-	-	-	(2,933)	(2,933)	-	(2,933)
Changes in ownership interests in subsidiaries								
Non-controlling interest arising from investment in subsidiary		-	-	-	-	-	5,500	5,500
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	-	(862)	(862)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	4,638	4,638
Total transactions with owners		-	-	-	(2,933)	(2,933)	4,638	1,705
At 31 December 2022		137,302	108	(5,369)	43,394	175,435	23,143	198,578

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

Group	Note	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
		Share capital	Capital reserve	Translation reserve	Accumulated profits			
2021		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2021		137,302	108	2,397	35,943	175,750	17,886	193,636
Total comprehensive income for the period								
Profit for the period		-	-	-	7,951	7,951	1,698	9,649
<i>Other comprehensive income</i>								
Foreign currency translation differences		-	-	(4,003)	-	(4,003)	(1,487)	(5,490)
Defined benefit plan remeasurements		-	-	-	9	9	-	9
<i>Total other comprehensive income</i>		-	-	(4,003)	9	(3,994)	(1,487)	(5,481)
Total comprehensive income for the period		-	-	(4,003)	7,960	3,957	211	4,168
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid to owners of the Company	8	-	-	-	(752)	(752)	-	(752)
Total contributions by and distributions to owners		-	-	-	(752)	(752)	-	(752)
Changes in ownership interests in subsidiaries								
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	-	(792)	(792)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	(792)	(792)
Total transactions with owners		-	-	-	(752)	(752)	(792)	(1,544)
At 31 December 2021		137,302	108	(1,606)	43,151	178,955	17,305	196,260

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

<u>Company</u>	Note	Share capital S\$'000	Accumulated profits S\$'000	Total equity S\$'000
2022				
At 1 January 2022		137,302	48,276	185,578
Total comprehensive income for the period				
Profit for the period		-	564	564
Total comprehensive income for the period		-	564	564
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends paid to owners of the Company	8	-	(2,933)	(2,933)
Total contributions by and distributions to owners		-	(2,933)	(2,933)
At 31 December 2022		137,302	45,907	183,209
2021				
At 1 January 2021		137,302	43,190	180,492
Total comprehensive income for the period				
Profit for the period		-	5,838	5,838
Total comprehensive income for the period		-	5,838	5,838
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends paid to owners of the Company	8	-	(752)	(752)
Total contributions by and distributions to owners		-	(752)	(752)
At 31 December 2021		137,302	48,276	185,578

D. Condensed interim consolidated statement of cash flows

	6 months ended		12 months ended	
	31 December		31 December	
	2H FY2022	2H FY2021	12M FY2022	12M FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	3,370	6,617	4,856	9,649
Adjustments for:				
Allowance for impairment of investments	20	-	20	-
Amortisation of intangible assets and debt securities at amortised cost	87	153	204	302
Net foreign exchange gain	(1,914)	(1,336)	(3,626)	(4,139)
Derivative financial instrument	-	-	-	-
Depreciation of property, plant and equipment	182	185	368	375
Depreciation of investment properties	88	95	180	192
Depreciation of right-of-use assets	411	414	825	824
Gain on disposal of equity securities	25	(2)	6	(2)
Gain on partial redemption of convertible loans	-	-	-	-
Gain on disposal of property, plant and equipment	-	(2)	-	(31)
Net change in fair value of financial assets at fair value through profit or loss	1,137	580	1,321	578
Recognition/(reversal) of allowance for impairment of investments at amortised cost	(9)	420	-	405
Provision for/(reversal of), net of reinsurers' share				
- unexpired risks	(1,637)	(482)	129	(1,567)
- insurance claims	(1,622)	(1,423)	(1,795)	(2,897)
Interest income	(12,854)	(18,453)	(22,848)	(30,821)
Interest income from investments and fixed deposits	(533)	(403)	(963)	(789)
Dividend income from investments	(100)	(116)	(200)	(543)
Interest expense on borrowings	1,973	1,726	3,501	3,925
Interest expense on lease liabilities	34	50	75	109
Fixed assets writted off	-	-	-	-
Intangible assets writted off	-	81	-	81
Tax expense	774	2,172	1,571	3,040
Operating cash flows before changes in working capital	(10,568)	(9,724)	(16,376)	(21,309)
Changes in working capital				
Factoring receivables	26,486	(20,014)	41,040	(25,502)
Factoring amounts due to clients	(11,505)	949	(11,395)	7,491
Loans, advances, hire purchase and lease receivables	(57,660)	126,079	(85,015)	149,864
Insurance and other receivables	1,041	642	(579)	846
Assets held for sale	-	-	-	-
Trade, other and insurance payables	3,891	3,447	(3,289)	554
Cash (used in)/generated from operations	(48,315)	101,379	(75,614)	111,944
Interest received	13,387	18,856	23,811	31,610
Interest paid	(1,973)	(1,726)	(3,501)	(3,925)
Taxes paid, net	(1,224)	(626)	(2,641)	(1,315)
Net cash (used in)/generated from operating activities	(38,125)	117,883	(57,945)	138,314

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

	6 months ended		12 months ended	
	31 December		31 December	
	2H FY2022	2H FY2021	12M FY2022	12M FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	(1)	2	-	31
Purchase of property, plant and equipment	(61)	(48)	(84)	(63)
Purchase of investment property	-	-	-	-
Purchase of intangible assets	(21)	(23)	(53)	(98)
Purchase of investments	(5,780)	(500)	(12,508)	(3,491)
Proceeds from disposal of investments	4,837	2,024	10,816	7,941
Proceeds from disposal of property held for sale	260	-	260	-
Dividend received from investments	100	116	200	543
Net cash (used in)/generated from investing activities	(666)	1,571	(1,369)	4,863
Cash flows from financing activities				
Dividends paid				
- by the Company	-	-	(2,933)	(752)
- by a subsidiary company to non-controlling interests	(21)	-	(862)	(792)
Proceeds from / (Repayment of) interest-bearing borrowings	13,019	(57,495)	1,137	(78,485)
Proceeds from non-controlling interests investments to subsidiary	-	-	5,500	-
Proceeds from issue of Rights Shares, net of expenses	-	-	-	-
Repayment of lease liabilities	(479)	(454)	(937)	(895)
Net cash generated from/(used in) financing activities	12,519	(57,949)	1,905	(80,924)
Net (decrease)/increase in cash and cash equivalents	(26,272)	61,505	(57,409)	62,253
Cash and cash equivalents at beginning of period	80,914	51,591	112,563	51,720
Effect of exchange rate fluctuations on cash held	(862)	(533)	(1,374)	(1,410)
Cash and cash equivalents at end of period	53,780	112,563	53,780	112,563
Analysis of cash and cash equivalents				
Fixed deposits	7,362	38,736	7,362	38,736
Cash at banks and on hand	46,418	73,827	46,418	73,827
Bank overdrafts (unsecured)	-	-	-	-
Cash and cash equivalents at end of period	53,780	112,563	53,780	112,563

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

IFS Capital Limited (the “Company”) is a company incorporated in Singapore and has its registered office at 10 Eunos Road 8, #09-04 Singapore Post Centre, Singapore 408600.

The condensed interim consolidated financial statements as at 31 December 2022 and for twelve months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The immediate and ultimate holding company is Phillip Assets Pte. Ltd., a company incorporated in Singapore.

The principal activities of the Company are those relating to the provision of commercial, alternative, and structured finance businesses such as factoring services, working capital, asset-based financing and the provision of alternative and structured financial solutions offered to clients to address either equity or debt capital requirements.

2. Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2022 have been prepared in accordance with (“Singapore Financial Reporting Standards (International)”) SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended on 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of SFRS (I) that are effective for annual periods beginning as of 1 January 2022. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group.

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand unless otherwise stated.

Use of judgements and estimates

The preparation of the condensed interim financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation (cont'd)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

Significant valuation issues are reported to the Group Audit Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has four reportable segments which relate to the Group's strategic business units. The strategic business units offer different products and services and are managed separately. The reportable segment presentation is prepared based on the Group's management and internal reporting structure. As some of the activities of the Group are integrated, internal cost allocation has been made in preparing the segment information such as the Group's centralised support costs and funding costs. Inter-segment pricing where appropriate, is determined on an arm's length basis. The Group's CEO reviews the internal management reports every quarter. The following summary describes the operations in each of the Group's reportable segments.

4. Segment and revenue information (cont'd)

Credit financing:	Credit financing encompasses commercial, alternative, and structured finance businesses and focus on providing services to corporate clients, mainly small and medium-sized enterprises. The commercial services provided include accounts receivable financing, trade financing, asset-based loan, working capital, leasing, hire purchase as well as participation in the Enterprise Financing Scheme administered by Enterprise Singapore. Credit financing also includes consumer loan services.
Insurance:	The issue of performance bonds and guarantees, domestic maid insurance, property and casualty insurance, motor insurance, engineering and work injury compensation insurance. The segment includes the holding of equity securities and bonds under the regulated insurance fund.
Private equity and other investments:	The provision of development capital in the form of convertible debt instruments.
Fund Management:	The provision of fund management service.

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

	Credit Financing S\$'000	Insurance S\$'000	Private equity and other investments S\$'000	Fund Management S\$'000	Total S\$'000
31-Dec-22					
Operating results					
Total operating income	25,653	6,002	226	-	31,881
Reportable segment profit before tax	7,361	(101)	(250)	(583)	6,427
Net interest income	19,347	-	-	-	19,347
Net earned premium revenue	-	5,376	-	-	5,376
Non-interest income	7,192	933	(250)	-	7,875
Other material non-cash items:					
- Provisions for loan losses and impairment of	(1,256)	63	-	-	(1,193)
- Depreciation and amortisation	(1,554)	(39)	-	-	(1,593)
Assets and liabilities					
Reportable segment assets	360,958	30,642	2,118	1,111	394,829
Capital expenditure	81	4	-	-	85
Reportable segment liabilities	185,082	12,621	359	84	198,146

4. Segment and revenue information (cont'd)

	Credit Financing S\$'000	Insurance S\$'000	Private equity and other investments S\$'000	Fund Management S\$'000	Total S\$'000
31-Dec-21					
Operating results					
Total operating income	32,738	6,411	402	-	39,551
Reportable segment profit/(loss) before tax	13,397	(21)	(127)	(560)	12,689
Net interest income	26,888	-	8	-	26,896
Net earned premium revenue	-	5,398	-	-	5,398
Non-interest income	7,202	1,013	(136)	-	8,079
Other material non-cash items:					
- Provisions for loan losses and impairment of	(936)	(376)	-	-	(1,312)
- Depreciation and amortisation	(1,606)	(61)	-	-	(1,667)
Assets and liabilities					
Reportable segment assets	354,973	35,437	7,059	688	398,157
Capital expenditure	211	8	-	-	219
Reportable segment liabilities	185,352	16,922	406	148	202,828

	31/12/2022 S\$'000	31/12/2021 S\$'000
Assets		
Total assets for reportable segments	394,829	398,157
Other unallocated amounts	3,101	3,092
Consolidated assets	397,930	401,249
Liabilities		
Total liabilities for reportable segments	198,146	202,828
Other unallocated amounts	1,206	2,161
Consolidated liabilities	199,352	204,989

Given the Group's continuing efforts to develop its businesses across the region, resources are now allocated mainly to four principal geographical areas.

Geographical segments are analysed by four principal geographical areas. Singapore, Thailand, Malaysia and Indonesia. These are the major markets for credit financing and insurance activities.

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

4. Segment and revenue information (cont'd)

	Operating income S\$'000	Non-current assets S\$'000	Total assets S\$'000
2022			
Singapore	13,971	57,373	227,486
Thailand	15,977	6,973	145,816
Malaysia	1,277	1,713	10,191
Indonesia	656	4,899	14,437
	<u>31,881</u>	<u>70,958</u>	<u>397,930</u>
2021			
Singapore	23,234	1,821	217,369
Thailand	14,192	3,585	157,494
Malaysia	1,512	494	11,046
Indonesia	613	212	15,898
	<u>39,551</u>	<u>6,112</u>	<u>401,807</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Group		Company	
	As at 31-Dec-22 S\$ '000	As at 31-Dec-21 S\$ '000	As at 31-Dec-22 S\$ '000	As at 31-Dec-21 S\$ '000
Financial Assets				
Other investment	25,793	25,971	19,000	5,214
Insurance receivables	638	536	-	-
Loans, Advances, Hire Purchases and Leasing Receivables	187,001	101,635	91,243	76,313
Trade and other receivables (exclude prepayment)	118,422	146,421	33,189	18,629
Cash and cash equivalents	53,780	112,563	19,020	79,941
	<u>385,634</u>	<u>387,126</u>	<u>162,452</u>	<u>180,097</u>
Financial Liabilities				
Trade and other payables	11,549	15,025	4,190	9,827
Insurance payable	1,505	1,304	-	-
Interest-bearing borrowings	169,540	168,403	96,652	79,585
	<u>182,594</u>	<u>184,732</u>	<u>100,842</u>	<u>89,412</u>

6. Profit before taxation

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2022	2H FY2021	+ /(-)	12M FY2022	12M FY2021	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Investment income						
- dividend, fee and interest income	633	519	22.0	1,163	1,332	(12.7)
- gain (loss) on disposal of debt securities	(25)	2	NM	(6)	2	NM
- net change in fair value of financial assets at fair value through profit or	(1,131)	(580)	95.0	(1,315)	(578)	127.5
- amortisation of debt securities at amortised cost	23	(9)	NM	19	(26)	NM
- exchange gain	(42)	13	NM	(14)	55	NM
	<u>(542)</u>	<u>(55)</u>	NM	<u>(153)</u>	<u>785</u>	NM
Gain on disposal of property, plant and equipment	-	2	NM	-	31	NM
Amortisation of intangible assets	(110)	(144)	(23.6)	(223)	(276)	(19.2)
Depreciation of property, plant and equipment	(182)	(185)	(1.6)	(368)	(375)	(1.9)
Depreciation of investment properties	(88)	(95)	(7.4)	(180)	(192)	(6.3)
Depreciation of right-of-use assets	(411)	(413)	(0.6)	(825)	(824)	0.2
Foreign currency differences						
- exchange gain arising from revaluation	402	(105)	NM	493	(92)	NM
	<u>(389)</u>	<u>(940)</u>	(58.6)	<u>(1,103)</u>	<u>(1,728)</u>	(36.2)
(Provision for)/Reversal of unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	1,358	827	64.2	(408)	1,773	NM
- reinsurers' share of change in provision for unexpired risks	279	(345)	NM	279	(206)	NM
	<u>1,637</u>	<u>482</u>	NM	<u>(129)</u>	<u>1,567</u>	NM
Claims incurred, net of reinsurers' share						
- net of change in provision for insurance Claims	1,538	1,423	8.1	1,711	2,897	(40.9)
- net Claims paid	(1,571)	(1,551)	1.3	(3,506)	(4,386)	(20.1)
	<u>(33)</u>	<u>(128)</u>	(74.2)	<u>(1,795)</u>	<u>(1,489)</u>	20.6
Allowance for loan losses and impairment of investments						
- stage 1 provision	(211)	79	NM	(181)	177	NM
- stage 2 provision	-	117	NM	(68)	155	NM
- stage 3 provision	(646)	(363)	78.0	(983)	(1,031)	(4.7)
- collective provision - loans and receivables	-	-	NM	-	-	NM
- specific provision - loans and receivables	-	-	NM	-	-	NM
- specific provision - interest accrual on non-performing accounts	-	-	NM	-	-	NM
- insurance and other receivables	10	178	(94.4)	79	(207)	NM
- impairment of repossessed assets	-	-	NM	-	-	NM
- debts written off	(36)	(2)	NM	(40)	(1)	NM
- investments at amortisation cost	9	(420)	NM	-	(405)	NM
	<u>(874)</u>	<u>(411)</u>	112.7	<u>(1,193)</u>	<u>(1,312)</u>	(9.1)

7. Taxation

The Group calculates the period income tax expenses using the tax rate that would apply to the expected total annual earnings. The major components of income tax expenses in the condensed interim consolidated statement of profit or loss are:

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2022	2H FY2021	+ / (-)	12M FY2022	12M FY2021	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Tax expenses						
- current	(835)	(2,043)	(59.1)	(1,669)	(2,705)	(38.3)
- deferred	47	(129)	NM	93	(335)	NM
- under provision of prior years' tax	14	-	NM	5	-	NM
	<u>(774)</u>	<u>(2,172)</u>	<u>(64.4)</u>	<u>(1,571)</u>	<u>(3,040)</u>	<u>(48.3)</u>

8. Dividend

The following dividends were declared and paid by the Company:

	Group	
	As at 31-Dec-22	As at 31-Dec-21
	S\$ '000	S\$ '000
<u>Dividends paid</u>		
A first and final one-tier tax exempt dividend of 0.78 cents per ordinary share (2021:0.2 cents per ordinary share) paid in respect of previous financial period	<u>2,933</u>	<u>752</u>

9. Net Asset Value

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Net Asset Value (NAV) per ordinary share	46.7 cents	47.6 cents	48.7 cents	49.4 cents
NAV computed based on no. of ordinary shares issued	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>	<u>375,969,665</u>

10. Financial assets

	Carrying amount S\$ '000	Level 1 S\$ '000	Level 2 S\$ '000	Level 3 S\$ '000	Total S\$ '000
Group					
31 December 2022					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	5,298	5,126	-	172	5,298
- Debt securities	4,429	3,429	-	1,000	4,429
- Convertible loans	55	-	-	55	55
	<u>9,782</u>	<u>8,555</u>	<u>-</u>	<u>1,227</u>	<u>9,782</u>
Financial Assets not measured at fair value					
Debt securities at amortised cost	<u>16,011</u>	<u>16,011</u>	<u>-</u>	<u>-</u>	<u>16,011</u>
31 December 2021					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	4,847	4,610	-	237	4,847
- Debt securities	5,252	5,252	-	-	5,252
- Convertible loans	1,338	-	-	1,338	1,338
	<u>11,437</u>	<u>9,862</u>	<u>-</u>	<u>1,575</u>	<u>11,437</u>
Financial Assets not measured at fair value					
Debt securities at amortised cost	<u>14,534</u>	<u>14,534</u>	<u>-</u>	<u>-</u>	<u>14,534</u>
Company					
31 December 2022					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	-	-	-	-	-
- Private credit fund	19,000	-	-	19,000	19,000
	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>	<u>19,000</u>
31 December 2021					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	14	-	-	14	14
- Private credit fund	5,200	-	-	5,200	5,200
	<u>5,214</u>	<u>-</u>	<u>-</u>	<u>5,214</u>	<u>5,214</u>

11. Property, plant, and equipment

During the twelve months ended 31 December 2022, the Group acquired assets amounting to \$84,000 (31 December 2021: \$63,000).

12. Intangible assets

As at 31 December 2022, intangible assets consist of computer software \$326,000 (31 December 2021: \$499,000) and membership rights \$6,000 (31 December 2021: \$6,000).

13. Investment properties

	Group	
	2022 S\$ '000	2021 S\$ '000
Cost		
At 1 January	3,532	3,851
Effects of movements in exchange rate	(135)	(319)
End of interim period	<u>3,397</u>	<u>3,532</u>
Accumulated depreciation		
At 1 January	1,213	1,120
Depreciation for the year	180	192
Effects of movements in exchange rate	(48)	(99)
End of interim period	<u>1,345</u>	<u>1,213</u>
Net Book value		
As at 31 December	<u>2,052</u>	<u>2,319</u>
Fair value		
As at 31 December	<u>4,869</u>	<u>5,062</u>

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

14. Borrowings

	Group		Company	
	Unsecured		Unsecured	
	As at 31-Dec-22 S\$'000	As at 31-Dec-21 S\$'000	As at 31-Dec-22 S\$'000	As at 31-Dec-21 S\$'000
Amount repayable in one year or less, or on demand	148,874	143,153	79,764	61,818
Amount repayable after one year	20,666	25,250	16,888	17,767
	<u>169,540</u>	<u>168,403</u>	<u>96,652</u>	<u>79,585</u>

Details of any collateral

Nil

15. Share capital

	Group and Company	
	Number of Ordinary Shares	
	(excluding Treasury Shares)	
	As at	As at
	31 Dec 2022	31 Dec 2021
Balance at beginning and end of the period	375,969,665	375,969,665

The Company does not hold any treasury shares as at 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule

Appendix 7.2

Other Information

1. Review

The condensed interim consolidated statement of financial position of IFS Capital Limited and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the twelve months then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

i) Net Interest income

	6 months ended 31 December			12 months ended 31 December		
	2H FY2022 S\$'000	2H FY2021 S\$'000	+ / (-) %	12M FY2022 S\$'000	12M FY2021 S\$'000	+ / (-) %
Factoring	5,473	5,629	(2.8)	11,316	11,188	1.1
Loans, advances, hire purchase and leasing	7,381	12,824	(42.4)	11,532	19,633	(41.3)
Interest income	12,854	18,453	(30.3)	22,848	30,821	(25.9)
Interest expense	(1,973)	(1,726)	14.3	(3,501)	(3,925)	(10.8)
Net interest income	10,881	16,727	(34.9)	19,347	26,896	(28.1)

Our Group earned lower loan interest income in FY 2022 compared to FY 2021 largely due to a low asset-based loan book at the beginning of FY 2022. In FY 2021, we were concentrating our effort on the recoveries from NPL accounts while exercising prudence in rebuilding our loan book. This has resulted in a reduction in the asset-based loan book at the start of FY 2022.

During FY 2022, we continued our effort to rebuild our asset-based loan book prudently. At the end of FY 2022, we saw our asset-based loan book grow to \$193 million (31 Dec 2021: \$110 million).

Despite the hike in interest rates in FY 2022, we managed to keep our interest expense lower than in FY 2021 only due to lower loan borrowings.

Even while our interest income has fallen by 26%, the reduction in interest expense has aided our Group to achieve a net interest margin (NIM) of 6.7%.

2. Review of performance of the Group (continued)

ii) Non-interest income

	6 months ended 31 December			12 months ended 31 December		
	2H FY2022	2H FY2021	+/(-) %	12M FY2022	12M FY2021	+/(-) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Net earned premium revenue	2,698	2,100	28.5	5,376	5,398	(0.4)
Fee and commission income	3,638	3,149	15.5	7,084	6,380	11.0
Investment income	(542)	(55)	NM	(153)	785	NM
Other income	453	581	(22.0)	944	914	3.3
Non-interest income	6,247	5,775	8.2	13,251	13,477	(1.7)

Higher fee and commission income earned was contributed by the higher factoring fees arising from the increased factoring volume in Thailand. The increase in new origination of our asset-based loans has also resulted in a higher loan facility fee revenue.

iii) Operating expenses

Lower operating expenses were due to lower staff costs and unrealised foreign exchange gain arising from the year-end translation of monetary assets.

iv) Allowances and impairment – recognition

	6 months ended 31 December			12 months ended 31 December		
	2H FY2022	2H FY2021	+/(-) %	12M FY2022	12M FY2021	+/(-) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Stage 1	211	(79)	NM	181	(177)	NM
Stage 2	-	(117)	NM	68	(155)	NM
Stage 3	646	363	78.0	983	1,031	(4.7)
Others	17	244	(93.0)	(39)	613	NM
Allowances and Impairments	874	411	112.7	1,193	1,312	(9.1)

v) Profit before tax

Consequential to the reduction in net interest income of \$7.6 million, and operating expenses of \$1.7 million, our Group achieved a pre-tax profit of \$6.4 million in FY 2022 (FY 2021: \$12.7 million) and attained a profit attributable to shareholders of \$3.1 million (FY 2021: \$8.0 million).

vi) Financial position as at 31 December 2022

Gross lending assets including factoring receivables outstanding were \$352 million, an increase of 14% compared to the base of \$310 million as at 31 December 2021; mainly due to a 75% increase in loan receivables outstanding as at end of 31 December 2022.

Insurance contract provisions decreased by \$4.2 million due to the reduced focus on writing bonds & guarantees, and workmen's injury compensation. Our improved claims experiences have also resulted in a lower provision.

Bank borrowings increased marginally by \$1.1 million to \$169.5 million. The current ratio at end of December 2022 was 1.88 times (31 December 2021: 2.04 times) and our leverage ratio remained flattish at 0.97 times (31 December 2021: 0.94 times).

vii) Cash flow

The Group recorded a net operating cash used in operating activities of \$57.9 million for FY2022 compared to a net operating cash generated from operating activities of \$138.3 million against the corresponding period, mainly due to a higher amount of loan disbursements.

Net cash used in investing activities for FY2022 of \$1.4 million was mainly due to the purchase of investments.

	Purchase of investments		Proceeds from redemption / disposal of investments	
	2H FY2022	12M FY2022	2H FY2022	12M FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ECICS Limited</u> *				
- Quoted equity securities	533	1,494	641	1,815
- Quoted debt securities	5,247	9,995	4,192	8,997
<u>IFS Group (excluding ECICS Limited)</u>	-	1,019	4	4
Total	5,780	12,508	4,837	10,816

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

Net cash used in financing activities for FY2022 was mainly the proceed from interest-bearing borrowings.

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

The current announced results are in line with the prospect statement as disclosed in the Group's first half year's results announcement released on 12 August 2022.

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

As we look ahead to the next 12 months, the Group continues to face uncertainties in the form of elevated inflation, rising interest rates, global economic slowdown as well as geopolitical tensions causing disruptions in supply chains that may impact our regional trade flow adversely. However, the ongoing recovery in tourism in the major ASEAN countries and the re-opening of China may support demand growth in the countries that we operate.

In 2021, we managed our loan exposures carefully as we monitored the impact that the pandemic had on local economies and SMEs, specifically. In 2022, we began to build back the loan book within the more resilient segments and achieved a 14% overall growth in the loan book to \$352 million. We are also glad to have made progress in the turnaround of our insurance business as we grew the gross written premium by 50% while maintaining a healthy underwriting result. We will continue to exercise prudence in growing our businesses.

5. Dividend information

(a) Current Financial Period

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	First and Final
Dividend Type	Cash (Ordinary)
Dividend Rate	0.78 Singapore cents per share
Tax Rate	One-tier tax exempt

(c) Date payable

9 May 2023, subject to the approval of the shareholders for the proposed first and final dividend at the forthcoming Annual General Meeting.

(d) Books closure date

Subject to the approval of the Shareholders for the proposed first and final dividend at the forthcoming Annual General Meeting, the Share Transfer Books and the Register of Members of the Company will be closed on 27 April 2023, to determine shareholders' entitlements to the proposed first and final one-tier tax exempt ordinary cash dividend for the year ended 31 December 2022.

Duly completed and registrable transfers of Shares 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 5.00 p.m. on 26 April 2023 will be registered to determine shareholders' entitlements to the proposed first and final dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as of 5.00 p.m. on 26 April 2023 will be entitled to the proposed first and final dividend.

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

Not applicable.

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

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

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

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

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 2.

10. A breakdown of sales as follows:

	FY2022	FY2021	+/(-) %
	S\$'000	S\$'000	
Sales reported for first half year	15,485	17,871	(13.4)
Operating profit after tax before deducting non-controlling interests reported for first half year	1,486	3,032	(51.0)
Sales report for second half year	17,136	22,521	(23.9)
Operating profit after tax before deducting non-controlling interests reported for second half year	3,370	6,617	(49.1)

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

	FY2022	FY2021	+/(-)
	S\$'000	S\$'000	%
Ordinary			
First and Final	1,692	2,933	(42.3)
Proposed First and Final	-	-	NM
Total	1,692	2,933	(42.3)

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Wah Tong	66	Brother of Mr Lim Hua Min, a director and deemed substantial shareholder of the Company.	Non-Executive Director of ECICS Limited (a wholly owned subsidiary of the Company) since 2003.	Nil

By Order of the Board

Chionh Yi Chian/ Angeline Ng
Company Secretary/ Assistant Company Secretary

24 February 2023



IFS Capital Limited

(Registration no: 198700827C)

Confirmation By The Board Pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of IFS Capital Limited (“the Company”), we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the full year ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min
Chairman

Randy Sim
Group Chief Executive Officer/Director

Ang Iris
Group Chief Financial Officer

Singapore
24 February 2023