

**Fourth Quarter and Full Year Unaudited Financial Statements and Dividend Announcement  
for the Period Ended 31 December 2019****TABLE OF CONTENTS**

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**Fourth Quarter and Full Year Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 December 2019**

- 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<br>31 December |                |         | 12 months ended<br>31 December |                 |         |
|---|-------------------------------|----------------|---------|--------------------------------|-----------------|---------|
|   | 4Q FY2019                     | 4Q FY2018      | +/(-) % | 12M FY2019                     | 12M FY2018      | +/(-) % |
|   | S\$'000                       | S\$'000        |         | S\$'000                        | S\$'000         |         |
| Interest income   | 8,348                         | 7,990          | 4.5     | 33,033                         | 27,643          | 19.5    |
| Interest expense  | (1,720)                       | (2,205)        | (22.0)  | (7,745)                        | (7,615)         | 1.7     |
| <b>Net interest income</b>  | <b>6,628</b>                  | <b>5,785</b>   | 14.6    | <b>25,288</b>                  | <b>20,028</b>   | 26.3    |
| Gross written premiums  | 1,452                         | 1,366          | 6.3     | 5,588                          | 7,268           | (23.1)  |
| Change in gross provision for unexpired risks                           | (1,104)                       | (1,163)        | (5.1)   | 663                            | 605             | 9.6     |
| Gross earned premium revenue  | 348                           | 203            | 71.4    | 6,251                          | 7,873           | (20.6)  |
| Written premiums ceded to reinsurers                                    | (165)                         | (164)          | 0.6     | (784)                          | (1,672)         | (53.1)  |
| Reinsurers' share of change in provision for unexpired risks            | 702                           | 1,067          | (34.2)  | 702                            | 652             | 7.7     |
| Reinsurance premium expense   | 537                           | 903            | (40.5)  | (82)                           | (1,020)         | (92.0)  |
| <b>Net earned premium revenue (i)</b>                                   | <b>885</b>                    | <b>1,106</b>   | (20.0)  | <b>6,169</b>                   | <b>6,853</b>    | (10.0)  |
| Fee and commission income   | 2,493                         | 2,206          | 13.0    | 8,632                          | 8,493           | 1.6     |
| Investment income   | 537                           | (251)          | NM      | 4,982                          | 1,797           | 177.2   |
| Other income  | 461                           | 16,430         | (97.2)  | 1,513                          | 16,793          | (91.0)  |
| <b>Sub-total (ii)</b>   | <b>3,491</b>                  | <b>18,385</b>  | (81.0)  | <b>15,127</b>                  | <b>27,083</b>   | (44.1)  |
| <b>Non-interest income (i) + (ii)</b>                                   | <b>4,376</b>                  | <b>19,491</b>  | (77.5)  | <b>21,296</b>                  | <b>33,936</b>   | (37.2)  |
| <b>Income before operating expenses</b>                                 | <b>11,004</b>                 | <b>25,276</b>  | (56.5)  | <b>46,584</b>                  | <b>53,964</b>   | (13.7)  |
| Business development expenses   | (164)                         | (200)          | (18.0)  | (644)                          | (549)           | 17.3    |
| Commission expenses   | (519)                         | (204)          | 154.4   | (1,692)                        | (1,636)         | 3.4     |
| Staff costs   | (4,503)                       | (4,381)        | 2.8     | (15,414)                       | (14,438)        | 6.8     |
| General and administrative expenses                                     | (1,811)                       | (1,461)        | 24.0    | (6,479)                        | (6,345)         | 2.1     |
| <b>Operating expenses</b>   | <b>(6,997)</b>                | <b>(6,246)</b> | 12.0    | <b>(24,229)</b>                | <b>(22,968)</b> | 5.5     |
| Change in provision for insurance claims                                | (1,499)                       | (469)          | NM      | (1,413)                        | (1,736)         | (18.6)  |
| Reinsurers' share of change in provision for insurance claims           | 1,171                         | 54             | NM      | 530                            | 1,023           | (48.2)  |
| Gross claims paid   | (1,028)                       | (1,155)        | (11.0)  | (6,361)                        | (8,655)         | (26.5)  |
| Reinsurers' share of claims paid  | 28                            | 42             | (33.3)  | 840                            | 1,714           | (51.0)  |
| <b>Net claims incurred</b>  | <b>(1,328)</b>                | <b>(1,528)</b> | (13.1)  | <b>(6,404)</b>                 | <b>(7,654)</b>  | (16.3)  |
| <b>Operating profit before allowances</b>                               | <b>2,679</b>                  | <b>17,502</b>  | (84.7)  | <b>15,951</b>                  | <b>23,342</b>   | (31.7)  |
| (Allowances for)/Reversal of loan losses and impairment of other assets | (143)                         | (362)          | (60.5)  | 392                            | (753)           | NM      |
| <b>Profit before tax</b>  | <b>2,536</b>                  | <b>17,140</b>  | (85.2)  | <b>16,343</b>                  | <b>22,589</b>   | (27.7)  |
| Tax expense   | (829)                         | (508)          | 63.2    | (4,238)                        | (2,726)         | 55.5    |
| <b>Profit for the period</b>  | <b>1,707</b>                  | <b>16,632</b>  | (89.7)  | <b>12,105</b>                  | <b>19,863</b>   | (39.1)  |
| <b>Profit attributable to:</b>  |                               |                |         |                                |                 |         |
| Owners of the Company   | 1,078                         | 16,181         | (93.3)  | 9,388                          | 17,987          | (47.8)  |
| Non-controlling interests   | 629                           | 451            | 39.5    | 2,717                          | 1,876           | 44.8    |
| <b>Profit for the period</b>  | <b>1,707</b>                  | <b>16,632</b>  | (89.7)  | <b>12,105</b>                  | <b>19,863</b>   | (39.1)  |

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<br>30 September |                      |               | 12 months ended<br>31 December |                       |               |
|--|--------------------------------|----------------------|---------------|--------------------------------|-----------------------|---------------|
|  | 4Q FY2019<br>S\$'000           | 4Q FY2018<br>S\$'000 | +/(-) %       | 12M FY2019<br>S\$'000          | 12M FY2018<br>S\$'000 | +/(-) %       |
| <b>Profit for the period</b>   | <b>1,707</b>                   | <b>16,632</b>        | <b>(89.7)</b> | <b>12,105</b>                  | <b>19,863</b>         | <b>(39.1)</b> |
| <b>Other comprehensive income</b>  |                                |                      |               |                                |                       |               |
| <b><i>Items that will not be reclassified to profit or loss</i></b>                |                                |                      |               |                                |                       |               |
| Defined benefit plan remeasurement   | 13                             | 4                    | Nm            | 13                             | 4                     | Nm            |
| Tax on items that will not be reclassified to profit or loss                       | (2)                            | (1)                  | 100           | (2)                            | (1)                   | 100           |
|  | 11                             | 3                    | Nm            | 11                             | 3                     | Nm            |
| <b><i>Items that are or may be reclassified subsequently to profit or loss</i></b> |                                |                      |               |                                |                       |               |
| Foreign currency translation differences of foreign operations (ii)                | (589)                          | (145)                | NM            | 3,300                          | 1,013                 | NM            |
|  | (589)                          | (145)                | NM            | 3,300                          | 1,013                 | NM            |
| <b>Other comprehensive income for the period, net of tax</b>                       | <b>(578)</b>                   | <b>(142)</b>         | <b>NM</b>     | <b>3,311</b>                   | <b>1,016</b>          | <b>NM</b>     |
| <b>Total comprehensive income for the period</b>                                   | <b>1,129</b>                   | <b>16,490</b>        | <b>(93.2)</b> | <b>15,416</b>                  | <b>20,879</b>         | <b>(26.2)</b> |
| <b>Attributable to:</b>  |                                |                      |               |                                |                       |               |
| Owners of the Company  | 642                            | 16,106               | (96.0)        | 11,869                         | 18,650                | (36.4)        |
| Non-controlling interests  | 487                            | 384                  | 26.8          | 3,547                          | 2,229                 | 59.1          |
|  | 1,129                          | 16,490               | (93.2)        | 15,416                         | 20,879                | (26.2)        |

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

**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 significant gain from foreign currency translation differences of foreign operation in FY2019 was mainly due to the appreciation of Thai Bath against Singapore dollar since December 2018

The loss from foreign currency translation differences of foreign operations in 4Q FY2019 was mainly due to slight weakening of Thai Baht and Indonesia Rupiah against Singapore dollar.

Exchange rates for the respective reporting period were as follows:

|                 | 31-Dec<br>2019 | 30-Sep<br>2019 | 31-Dec<br>2018 | 30-Sep<br>2018 |
|-----------------|----------------|----------------|----------------|----------------|
| THB against SGD | 22.594         | 22.417         | 23.809         | 23.697         |
| MYR against SGD | 3.0386         | 3.0285         | 3.0340         | 3.0276         |
| IDR against SGD | 10,321         | 10,258         | 10,672         | 10,908         |

1(a)(ii)

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

|   | 3 months ended |               |           | 12 months ended |               |              |
|---|----------------|---------------|-----------|-----------------|---------------|--------------|
|   | 30 September   |               |           | 31 December     |               |              |
|   | 4Q FY2019      | 4Q FY2018     | +/(-) %   | 12M FY2019      | 12M FY2018    | +/(-) %      |
|   | S\$'000        | S\$'000       |           | S\$'000         | S\$'000       |              |
| Investment income   |                |               |           |                 |               |              |
| - dividend, fee and interest income   | 594            | 690           | (13.9)    | 1,833           | 2,273         | (19.4)       |
| - loss on disposal of equity securities   | (7)            | (330)         | (97.9)    | (9)             | (368)         | (97.6)       |
| - gain on partial redemption of convertible loan                                    | -              | 94            | NM        | -               | 1,070         | NM           |
| - net change in fair value of financial assets at fair value through profit or loss | 157            | (667)         | NM        | 3,374           | (1,061)       | NM           |
| - amortisation of debt securities at amortised cost                                 | (11)           | (25)          | (56.0)    | (57)            | (56)          | 1.8          |
| - exchange loss   | (197)          | (13)          | NM        | (160)           | (61)          | 162.3        |
|   | <u>536</u>     | <u>(251)</u>  | <u>NM</u> | <u>4,981</u>    | <u>1,797</u>  | <u>177.2</u> |
| Gain on disposal of property, plant and equipment                                   | -              | 16,322        | NM        | -               | 16,375        | NM           |
| Amortisation of intangible assets   | (82)           | (71)          | 15.5      | (307)           | (311)         | (1.3)        |
| Depreciation of property, plant and equipment                                       | (156)          | (203)         | (23.2)    | (634)           | (1,072)       | (40.9)       |
| Depreciation of right-of-use assets   | (159)          | -             | NM        | (583)           | -             | NM           |
| Foreign currency differences  |                |               |           |                 |               |              |
| - exchange (loss)/gain  | (162)          | 36            | NM        | 223             | (124)         | NM           |
| - realised loss on foreign exchange contracts                                       | -              | (22)          | NM        | -               | (14)          | NM           |
| - fair value gain on foreign exchange forward contracts                             | -              | 8             | NM        | -               | 8             | NM           |
|   | <u>(559)</u>   | <u>16,070</u> | <u>NM</u> | <u>(1,301)</u>  | <u>14,862</u> | <u>NM</u>    |
| (Provision for)/Reversal of unexpired risks, net of reinsurers' share               |                |               |           |                 |               |              |
| - change in gross provision for unexpired risks                                     | (1,104)        | (1,163)       | (5.1)     | 663             | 605           | 9.6          |
| - reinsurers' share of change in provision for unexpired risks                      | 702            | 1,067         | (34.2)    | 702             | 652           | 7.7          |
|   | <u>(402)</u>   | <u>(96)</u>   | <u>NM</u> | <u>1,365</u>    | <u>1,257</u>  | <u>8.6</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 |                |               |
|---|----------------|----------------|---------------|-----------------|----------------|---------------|
|   | 30 September   |                |               | 31 December     |                |               |
|   | 4Q FY2019      | 4Q FY2018      | + / (-)       | 12M FY2019      | 12M FY2018     | + / (-)       |
|   | S\$'000        | S\$'000        | %             | S\$'000         | S\$'000        | %             |
| Claims incurred, net of reinsurers' share                             |                |                |               |                 |                |               |
| - net of change in provision for insurance Claims                     | (328)          | (415)          | (21.0)        | (883)           | (713)          | 23.8          |
| - net Claims paid   | (1,000)        | (1,113)        | (10.2)        | (5,521)         | (6,941)        | (20.5)        |
|   | <u>(1,328)</u> | <u>(1,528)</u> | <u>(13.1)</u> | <u>(6,404)</u>  | <u>(7,654)</u> | <u>(16.3)</u> |
| (Allowance for)/reversal of loan losses and impairment of investments |                |                |               |                 |                |               |
| - stage 1 provision   | 113            | (80)           | NM            | 108             | (8)            | NM            |
| - stage 2 provision   | (17)           | 146            | NM            | (46)            | 376            | NM            |
| - stage 3 provision   | (133)          | (269)          | (50.6)        | 1,570           | (657)          | NM            |
| - insurance and other receivables                                     | (107)          | (155)          | (31.0)        | (197)           | (460)          | (57.2)        |
| - debts written off   | (9)            | (4)            | 125.0         | (9)             | (4)            | 125.0         |
| - investments at amortisation cost                                    | 10             | -              | NM            | (1,034)         | -              | NM            |
|   | <u>(143)</u>   | <u>(362)</u>   | <u>(60.5)</u> | <u>392</u>      | <u>(753)</u>   | <u>NM</u>     |
| Tax expenses  |                |                |               |                 |                |               |
| - current tax expense   | (926)          | (416)          | 122.6         | (3,439)         | (1,877)        | 83.2          |
| - deferred tax expense  | 216            | (93)           | NM            | (680)           | (789)          | (13.8)        |
| - under provision of prior years' tax                                 | (119)          | 1              | NM            | (119)           | (60)           | 98.3          |
|   | <u>(829)</u>   | <u>(508)</u>   | <u>63.2</u>   | <u>(4,238)</u>  | <u>(2,726)</u> | <u>55.5</u>   |

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>31/12/2019</b> | <b>31/12/2018</b> | <b>31/12/2019</b> | <b>31/12/2018</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                          | 2,165             | 3,319             | 213               | 202               |
| Intangible assets                                      | 990               | 1,081             | 773               | 787               |
| Investment properties                                  | 2,980             | 2,094             | -                 | -                 |
| Subsidiaries   | -                 | -                 | 86,163            | 83,063            |
| Other investments                                      | 25,096            | 39,235            | 14                | 6,424             |
| Loans, advances, hire purchase and leasing receivables | 81,167            | 79,523            | 69,368            | 53,423            |
| Deferred tax assets                                    | 3,856             | 4,716             | -                 | 11                |
| Right-of-use assets                                    | 2,839             | -                 | 2,020             | -                 |
|  | <b>119,093</b>    | <b>129,968</b>    | <b>158,551</b>    | <b>143,910</b>    |
| <b>Current assets</b>                                  |                   |                   |                   |                   |
| Reinsurers' share of insurance contract provisions     | 4,533             | 5,326             | -                 | -                 |
| Insurance receivables                                  | 3,526             | 2,585             | -                 | -                 |
| Loans, advances, hire purchase and leasing receivables | 160,616           | 135,836           | 99,385            | 115,239           |
| Trade and other receivables                            | 163,035           | 166,209           | 72,835            | 51,641            |
| Other investments                                      | 18,737            | 17,807            | 312               | 394               |
| Cash and cash equivalents                              | 37,191            | 48,724            | 9,065             | 18,773            |
|  | <b>387,638</b>    | <b>376,487</b>    | <b>181,597</b>    | <b>186,047</b>    |
| <b>Total assets</b>                                    | <b>506,731</b>    | <b>506,455</b>    | <b>340,148</b>    | <b>329,957</b>    |
| <b>Equity</b>  |                   |                   |                   |                   |
| Share capital  | 137,302           | 137,302           | 137,302           | 137,302           |
| Other reserves   | 3,654             | 1,184             | -                 | -                 |
| Accumulated profits                                    | 38,052            | 30,720            | 41,681            | 36,923            |
| <b>Equity attributable to owners of the Company</b>    | <b>179,008</b>    | <b>169,206</b>    | <b>178,983</b>    | <b>174,225</b>    |
| Non-controlling interests                              | 17,945            | 15,354            | -                 | -                 |
| <b>Total equity</b>                                    | <b>196,953</b>    | <b>184,560</b>    | <b>178,983</b>    | <b>174,225</b>    |
| <b>Non-current liabilities</b>                         |                   |                   |                   |                   |
| Interest-bearing borrowings                            | 5,323             | 13,864            | -                 | 10,000            |
| Employee benefits                                      | 1,429             | 1,560             | -                 | -                 |
| Deferred tax liabilities                               | 246               | 515               | 147               | -                 |
| Lease liabilities                                      | 2,849             | -                 | 2,007             | -                 |
|  | <b>9,847</b>      | <b>15,939</b>     | <b>2,154</b>      | <b>10,000</b>     |
| <b>Current liabilities</b>                             |                   |                   |                   |                   |
| Trade and other payables                               | 15,017            | 13,609            | 8,452             | 6,973             |
| Insurance payables                                     | 3,758             | 3,078             | -                 | -                 |
| Interest-bearing borrowings                            | 256,975           | 265,478           | 149,288           | 138,743           |
| Insurance contract provisions for                      |                   |                   |                   |                   |
| - gross unexpired risks                                | 6,738             | 9,425             | -                 | -                 |
| - gross unexpired claims                               | 14,859            | 13,446            | -                 | -                 |
| Current tax payable                                    | 2,584             | 920               | 1,271             | 16                |
|  | <b>299,931</b>    | <b>305,956</b>    | <b>159,011</b>    | <b>145,732</b>    |
| <b>Total liabilities</b>                               | <b>309,778</b>    | <b>321,895</b>    | <b>161,165</b>    | <b>155,732</b>    |
| <b>Total equity and liabilities</b>                    | <b>506,731</b>    | <b>506,455</b>    | <b>340,148</b>    | <b>329,957</b>    |

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

|  | <b>Unsecured</b>       |                        |
|--|------------------------|------------------------|
|  | <b>As at 31-Dec-19</b> | <b>As at 31-Dec-18</b> |
|  | <b>S\$'000</b>         | <b>S\$'000</b>         |
| Amount repayable in one year or less, or on demand | 256,975                | 265,478                |
| Amount repayable after one year                    | 5,323                  | 13,864                 |
|  | <b>262,298</b>         | <b>279,342</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<br>31 December |                 | 12 months ended<br>31 December |                  |
|---|-------------------------------|-----------------|--------------------------------|------------------|
|   | 4Q FY2019                     | 4Q FY2018       | 12M FY2019                     | 12M FY2018       |
|   | S\$'000                       | S\$'000         | S\$'000                        | S\$'000          |
| <b>Cash flows from operating activities</b>                                       |                               |                 |                                |                  |
| Profit for the period   | 1,707                         | 16,632          | 12,105                         | 19,863           |
| Adjustments for:  |                               |                 |                                |                  |
| Amortisation of intangible assets and debt securities at amortised cost           | 93                            | 96              | 364                            | 367              |
| Net foreign exchange (gain)/loss  | (269)                         | (184)           | 3,206                          | 179              |
| Depreciation of property, plant and equipment                                     | 158                           | 208             | 634                            | 1,077            |
| Depreciation of right-of-use assets   | 159                           | -               | 583                            | -                |
| Loss on disposal of equity securities   | 7                             | 330             | 9                              | 368              |
| Gain on partial redemption of convertible loans                                   | -                             | (94)            | -                              | (1,070)          |
| Gain on disposal of property, plant and equipment                                 | -                             | (16,322)        | -                              | (16,375)         |
| Net change in fair value of financial assets at fair value through profit or loss | (157)                         | 667             | (3,374)                        | 1,061            |
| (Reversal of)/recognition of allowance for impairment of investments              | (10)                          | -               | 1,034                          | -                |
| Provision for/(reversal of), net of reinsurers' share                             |                               |                 |                                |                  |
| - unexpired risks   | 402                           | 95              | (1,365)                        | (1,257)          |
| - insurance claims  | 328                           | 414             | 883                            | 712              |
| Interest income   | (8,348)                       | (7,990)         | (33,033)                       | (27,643)         |
| Interest income from investments and fixed deposits                               | (273)                         | (268)           | (1,155)                        | (1,114)          |
| Dividend income from investments  | (321)                         | (422)           | (678)                          | (1,159)          |
| Interest expense  | 1,720                         | 2,205           | 7,745                          | 7,615            |
| Interest expense on lease liabilities   | 34                            | -               | 121                            | -                |
| Fixed assets writted off  | 1                             | 2               | 2                              | 15               |
| Intangible assets writted off   | -                             | 11              | -                              | 11               |
| Tax expense   | 829                           | 507             | 4,238                          | 2,725            |
| <b>Operating cash flows before changes in working capital</b>                     | <b>(3,940)</b>                | <b>(4,113)</b>  | <b>(8,681)</b>                 | <b>(14,625)</b>  |
| <b>Changes in working capital</b>   |                               |                 |                                |                  |
| Factoring receivables   | (7,576)                       | 7,080           | 4,962                          | (1,956)          |
| Factoring amounts due to clients  | 685                           | (1,795)         | (2,077)                        | 4,501            |
| Loans, advances, hire purchase and lease receivables                              | (10,455)                      | (21,944)        | (26,560)                       | (108,870)        |
| Insurance and other receivables   | (114)                         | (105)           | (1,040)                        | (173)            |
| Trade, other and insurance payables   | 1,207                         | 2,812           | 1,694                          | 3,994            |
| <b>Cash used in operations</b>  | <b>(20,193)</b>               | <b>(18,065)</b> | <b>(31,702)</b>                | <b>(117,129)</b> |
| Interest received   | 8,622                         | 8,256           | 34,170                         | 28,795           |
| Interest paid   | (1,711)                       | (2,394)         | (7,555)                        | (7,357)          |
| Taxes paid, net   | (13)                          | (47)            | (1,944)                        | (1,768)          |
| <b>Net cash used in operating activities</b>                                      | <b>(13,295)</b>               | <b>(12,250)</b> | <b>(7,031)</b>                 | <b>(97,459)</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)**

|   | <b>3 months ended<br/>31 December</b> |                  | <b>12 months ended<br/>31 December</b> |                   |
|---|---------------------------------------|------------------|--|-------------------|
|   | <b>4Q FY2019</b>                      | <b>4Q FY2018</b> | <b>12M FY2019</b>                      | <b>12M FY2018</b> |
|   | <b>S\$'000</b>                        | <b>S\$'000</b>   | <b>S\$'000</b>                         | <b>S\$'000</b>    |
| <b>Cash flows from investing activities</b>                   |                                       |                  |  |                   |
| Proceeds from sale of property, plant and equipment           | (1)                                   | 29,065           | -                                      | 29,119            |
| Purchase of property, plant and equipment                     | (107)                                 | (94)             | (133)                                  | (496)             |
| Purchase of investment property                               | -                                     | -                | -                                      | -                 |
| Purchase of intangible assets                                 | (33)                                  | (480)            | (211)                                  | (937)             |
| Purchase of investments                                       | (7,516)                               | (3,684)          | (14,664)                               | (17,764)          |
| Proceeds from disposal of investments                         | 4,517                                 | 6,678            | 29,920                                 | 30,218            |
| Dividend received from investments                            | 320                                   | 422              | 677                                    | 1,159             |
| <b>Net cash (used in)/generated from investing activities</b> | <b>(2,820)</b>                        | <b>31,907</b>    | <b>15,589</b>                          | <b>41,299</b>     |
| <b>Cash flows from financing activities</b>                   |                                       |                  |  |                   |
| Dividends paid  |                                       |                  |  |                   |
| - by the Company  | -                                     | -                | (2,067)                                | (1,128)           |
| - by a subsidiary company to non-controlling interests        | -                                     | -                | (956)                                  | (849)             |
| Proceeds from/(repayment of) interest-bearing borrowings      | 3,430                                 | (7,660)          | (17,044)                               | 71,553            |
| Repayment of lease liabilities                                | (168)                                 | -                | (605)                                  | -                 |
| <b>Net cash generated from/(used in) financing activities</b> | <b>3,262</b>                          | <b>(7,660)</b>   | <b>(20,672)</b>                        | <b>69,576</b>     |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(12,853)</b>                       | <b>11,997</b>    | <b>(12,114)</b>                        | <b>13,416</b>     |
| Cash and cash equivalents at beginning of period              | 50,134                                | 36,770           | 48,724                                 | 35,064            |
| Effect of exchange rate fluctuations on cash held             | (90)                                  | (43)             | 581                                    | 244               |
| <b>Cash and cash equivalents at end of period</b>             | <b>37,191</b>                         | <b>48,724</b>    | <b>37,191</b>                          | <b>48,724</b>     |
| <b>Analysis of cash and cash equivalents</b>                  |                                       |                  |  |                   |
| Fixed deposits  | 9,675                                 | 11,153           | 9,675                                  | 11,153            |
| Cash at banks and on hand                                     | 27,516                                | 37,571           | 27,516                                 | 37,571            |
| <b>Cash and cash equivalents at end of period</b>             | <b>37,191</b>                         | <b>48,724</b>    | <b>37,191</b>                          | <b>48,724</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.**

| <b>Group</b>  | <b>Attributable to owners of the Company</b> |                        |                           |                            |                            | <b>Non-controlling interests</b> |                  | <b>Total equity</b> |
|---|--|------------------------|---------------------------|----------------------------|----------------------------|----------------------------------|------------------|---------------------|
|   | <b>Share capital</b>                         | <b>Capital reserve</b> | <b>Fair value reserve</b> | <b>Translation reserve</b> | <b>Accumulated profits</b> | <b>Total</b>                     | <b>interests</b> |                     |
|   | <b>S\$'000</b>                               | <b>S\$'000</b>         | <b>S\$'000</b>            | <b>S\$'000</b>             | <b>S\$'000</b>             | <b>S\$'000</b>                   | <b>S\$'000</b>   | <b>S\$'000</b>      |
| <b>2018</b>   |  |                        |                           |                            |                            |                                  |                  |                     |
| <b>At 31 December 2017, as previously stated</b>                    | 137,302                                      | 108                    | 3,458                     | (6,936)                    | 18,359                     | 152,291                          | 14,024           | 166,315             |
| Impact on the adoption of SFRS(I) 1                                 | -  | -                      | -                         | 7,352                      | (7,352)                    | -                                | -                | -                   |
| <b>At 31 December 2017, as restated</b>                             | 137,302                                      | 108                    | 3,458                     | 416                        | 11,007                     | 152,291                          | 14,024           | 166,315             |
| Impact on the adoption of SFRS(I) 9                                 | -  | -                      | (3,458)                   | -                          | 2,851                      | (607)                            | (50)             | (657)               |
| <b>Adjusted balance at 1 January 2018</b>                           | 137,302                                      | 108                    | -                         | 416                        | 13,858                     | 151,684                          | 13,974           | 165,658             |
| <b>Total comprehensive income for the period</b>                    |  |                        |                           |                            |                            |                                  |                  |                     |
| Profit for the period   | -  | -                      | -                         | -                          | 17,987                     | 17,987                           | 1,876            | 19,863              |
| <i>Other comprehensive income</i>                                   |  |                        |                           |                            |                            |                                  |                  |                     |
| Foreign currency translation differences                            | -  | -                      | -                         | 660                        | -                          | 660                              | 353              | 1,013               |
| Defined benefit plan remeasurement                                  | -  | -                      | -                         | -                          | 4                          | 4                                | -                | 4                   |
| Tax on other comprehensive income                                   | -  | -                      | -                         | -                          | (1)                        | (1)                              | -                | (1)                 |
| <i>Total other comprehensive income</i>                             | -  | -                      | -                         | 660                        | 3                          | 663                              | 353              | 1,016               |
| <b>Total comprehensive income for the period</b>                    | -  | -                      | -                         | 660                        | 17,990                     | 18,650                           | 2,229            | 20,879              |
| <b>Transactions with owners, recognised directly in equity</b>      |  |                        |                           |                            |                            |                                  |                  |                     |
| <i>Contributions by and distributions to owners</i>                 |  |                        |                           |                            |                            |                                  |                  |                     |
| Dividends paid to owners of the Company                             | -  | -                      | -                         | -                          | (1,128)                    | (1,128)                          | -                | (1,128)             |
| <b>Total contributions by and distributions to owners</b>           | -  | -                      | -                         | -                          | (1,128)                    | (1,128)                          | -                | (1,128)             |
| <i>Changes in ownership interests in subsidiaries</i>               |  |                        |                           |                            |                            |                                  |                  |                     |
| Dividends paid by a subsidiary company to non-controlling interests | -  | -                      | -                         | -                          | -                          | -                                | (849)            | (849)               |
| <b>Total changes in ownership interests in subsidiaries</b>         | -  | -                      | -                         | -                          | -                          | -                                | (849)            | (849)               |
| <b>Total transactions with owners</b>                               | -  | -                      | -                         | -                          | (1,128)                    | (1,128)                          | (849)            | (1,977)             |
| <b>At 31 December 2018</b>  | 137,302                                      | 108                    | -                         | 1,076                      | 30,720                     | 169,206                          | 15,354           | 184,560             |

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 |                 |                     |                     |                | Non-controlling interests | Total equity   |
|---|---------------------------------------|-----------------|---------------------|---------------------|----------------|---------------------------|----------------|
|   | Share capital                         | Capital reserve | Translation reserve | Accumulated profits | Total          |                           |                |
| <b>Group</b>  | <b>S\$'000</b>                        | <b>S\$'000</b>  | <b>S\$'000</b>      | <b>S\$'000</b>      | <b>S\$'000</b> | <b>S\$'000</b>            | <b>S\$'000</b> |
| <b>2019</b>   |                                       |                 |                     |                     |                |                           |                |
| <b>At 31 December 2018</b>  | 137,302                               | 108             | 1,076               | 30,720              | 169,206        | 15,354                    | 184,560        |
| <b>Total comprehensive income for the period</b>                    |                                       |                 |                     |                     |                |                           |                |
| Profit for the period   | -                                     | -               | -                   | 9,388               | 9,388          | 2,717                     | 12,105         |
| <i>Other comprehensive income</i>                                   |                                       |                 |                     |                     |                |                           |                |
| Foreign currency translation differences                            | -                                     | -               | 2,470               | -                   | 2,470          | 830                       | 3,300          |
| Defined benefit plan remeasurements                                 | -                                     | -               | -                   | 13                  | 13             | -                         | 13             |
| Tax on other comprehensive income                                   | -                                     | -               | -                   | (2)                 | (2)            | -                         | (2)            |
| <i>Total other comprehensive income</i>                             | -                                     | -               | 2,470               | 11                  | 2,481          | 830                       | 3,311          |
| <b>Total comprehensive income for the period</b>                    | -                                     | -               | 2,470               | 9,399               | 11,869         | 3,547                     | 15,416         |
| <b>Transactions with owners, recognised directly in equity</b>      |                                       |                 |                     |                     |                |                           |                |
| <b>Contributions by and distributions to owners</b>                 |                                       |                 |                     |                     |                |                           |                |
| Dividends paid to owners of the Company                             | -                                     | -               |                     | (2,067)             | (2,067)        | -                         | (2,067)        |
| <b>Total contributions by and distributions to owners</b>           | -                                     | -               | -                   | (2,067)             | (2,067)        | -                         | (2,067)        |
| <b>Changes in ownership interests in subsidiaries</b>               |                                       |                 |                     |                     |                |                           |                |
| Dividends paid by a subsidiary company to non-controlling interests | -                                     | -               | -                   | -                   | -              | (956)                     | (956)          |
| <b>Total changes in ownership interests in subsidiaries</b>         | -                                     | -               | -                   | -                   | -              | (956)                     | (956)          |
| <b>Total transactions with owners</b>                               | -                                     | -               | -                   | (2,067)             | (2,067)        | (956)                     | (3,023)        |
| <b>At 31 December 2019</b>  | 137,302                               | 108             | 3,546               | 38,052              | 179,008        | 17,945                    | 196,953        |

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

| <u>Company</u>   | <b>Share<br/>capital<br/>S\$'000</b> | <b>Fair value<br/>reserve<br/>S\$'000</b> | <b>Accumulated<br/>profits<br/>S\$'000</b> | <b>Total<br/>equity<br/>S\$'000</b> |
|--|--------------------------------------|---|--|-------------------------------------|
| <b>2019</b>  |                                      |   |  |                                     |
| <b>At 31 December 2018</b>   | 137,302                              | -   | 36,923                                     | 174,225                             |
| <b>Total comprehensive income for the period</b>                   |                                      |   |  |                                     |
| Profit for the period  | -                                    | -   | 6,825                                      | 6,825                               |
| <b>Total comprehensive income for the period</b>                   | -                                    | -   | 6,825                                      | 6,825                               |
| <b>Transactions with owners,<br/>recognised directly in equity</b> |                                      |   |  |                                     |
| <b><i>Contributions by and<br/>distributions to owners</i></b>     |                                      |   |  |                                     |
| Dividends paid to owners of the<br>Company                         | -                                    | -   | (2,067)                                    | (2,067)                             |
| <b>Total contributions by and<br/>distributions to owners</b>      | -                                    | -   | (2,067)                                    | (2,067)                             |
| <b>At 31 December 2019</b>   | 137,302                              | -   | 41,681                                     | 178,983                             |
| <b>2018</b>  |                                      |   |  |                                     |
| <b>At 31 December 2017</b>   | 137,302                              | 379                                       | 24,696                                     | 162,377                             |
| Impact on the adoption of SFRS(I) 9                                | -                                    | (379)                                     | 276  | (103)                               |
| <b>At 1 January 2018</b>   | 137,302                              | -   | 24,972                                     | 162,274                             |
| <b>Total comprehensive income for the period</b>                   |                                      |   |  |                                     |
| Profit for the period  | -                                    | -   | 13,079                                     | 13,079                              |
| <b>Total comprehensive income for the period</b>                   | -                                    | -   | 13,079                                     | 13,079                              |
| <b>Transactions with owners,<br/>recognised directly in equity</b> |                                      |   |  |                                     |
| <b><i>Contributions by and<br/>distributions to owners</i></b>     |                                      |   |  |                                     |
| Dividends paid to owners of the<br>Company                         | -                                    | -   | (1,128)                                    | (1,128)                             |
| <b>Total contributions by and<br/>distributions to owners</b>      | -                                    | -   | (1,128)                                    | (1,128)                             |
| <b>At 31 December 2018</b>   | 137,302                              | -   | 38,051                                     | 175,353                             |

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

|  | Number of Ordinary Shares<br>(excluding Treasury Shares) |             |
|--|--|-------------|
|  | As at  | As at       |
|  | 31 Dec 2019  | 31 Dec 2018 |
| Balance at beginning and end of the period | 375,969,665  | 375,969,665 |

There were no outstanding convertibles as at 31 December 2019 and 31 December 2018.

- 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 2019 and 31 December 2018, the issued and paid up share capital excluding treasury shares of the Company comprised of 375,969,665 ordinary shares.

The Company does not hold any treasury shares as at 31 December 2019 and 31 December 2018.

- 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 modification or emphasis of a matter).

Not applicable.

- 3 (a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 as at 31 December 2018 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 as of 1 January 2019. The adoption of SFRS(I) 16 and their impact on the financial position are detailed in the Paragraph 5.

**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.**

During the current financial period, the Group and the Company have adopted the SFRS(I) 16 – Leases on 1 January 2019; using the modified retrospective approach. The Group and the Company have elected the practical expedient of not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases.

As at 1 January 2019, the Group has recognised Right-Of-Use ("ROU") assets of \$2.8 million and leases liabilities of \$2.7 million. The Company has recognised Right-Of-Use ("ROU") assets of \$2.6 million and leases liabilities of \$2.5 million.

The adoption of SFRS(I) 16 has been assessed to have no material impact on the results of the Group for the year ending 31 December 2019.

**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).

|  | 3 months ended<br>31 December |              | 12 months ended<br>31 December |              |
|--|-------------------------------|--------------|--------------------------------|--------------|
|  | 4Q FY2019                     | 4Q FY2018    | 12M FY2019                     | 12M FY2018   |
| <b>Earnings Per Ordinary Share</b>                       |                               |              |                                |              |
| - on weighted-average number of ordinary shares in issue | 0.29 cents                    | 4.30 cents   | 2.50 cents                     | 4.78 cents   |
| - on fully diluted basis                                 | 0.29 cents                    | 4.30 cents   | 2.50 cents                     | 4.78 cents   |
| <b>Net profit/(loss) attributable to shareholders:</b>   | \$1,078,000                   | \$16,181,000 | \$9,388,000                    | \$17,987,000 |
| <b>Number of shares in issue</b>                         |                               |              |                                |              |
| - on weighted-average number of ordinary shares in issue | 375,969,665                   | 375,969,665  | 375,969,665                    | 375,969,665  |
| - on fully diluted basis                                 | 375,969,665                   | 375,969,665  | 375,969,665                    | 375,969,665  |

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

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

|  | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>31-Dec-19</b> | <b>31-Dec-18</b> | <b>31-Dec-19</b> | <b>31-Dec-18</b> |
| Net Asset Value (NAV) per ordinary share | 47.6 cents       | 45.0 cents       | 47.7 cents       | 46.3 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:—**  
**(a) 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**  
**(b) 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:

|                                | <b>3 months ended</b> |                  |                | <b>12 months ended</b> |                   |                |
|--------------------------------|-----------------------|------------------|----------------|------------------------|-------------------|----------------|
|                                | <b>31 December</b>    |                  |                | <b>31 December</b>     |                   |                |
|                                | <b>4Q FY2019</b>      | <b>4Q FY2018</b> | <b>+/(-) %</b> | <b>12M FY2019</b>      | <b>12M FY2018</b> | <b>+/(-) %</b> |
|                                | <b>S\$'000</b>        | <b>S\$'000</b>   | <b>%</b>       | <b>S\$'000</b>         | <b>S\$'000</b>    | <b>%</b>       |
| Factoring                      | 3,605                 | 3,548            | 1.6            | 14,544                 | 14,319            | 1.6            |
| Loans, advances, hire purchase | 4,743                 | 4,442            | 6.8            | 18,489                 | 13,324            | 38.8           |
| <b>Interest income</b>         | <b>8,348</b>          | <b>7,990</b>     | <b>4.5</b>     | <b>33,033</b>          | <b>27,643</b>     | <b>19.5</b>    |
| Interest expense               | (1,720)               | (2,205)          | (22.0)         | (7,745)                | (7,615)           | 1.7            |
| <b>Net interest income</b>     | <b>6,628</b>          | <b>5,785</b>     | <b>14.6</b>    | <b>25,288</b>          | <b>20,028</b>     | <b>26.3</b>    |

The Group managed to record higher interest income in fourth quarter 2019 (“**4Q FY2019**”) and 12 months ended 31 December 2019 (“**12M FY2019**”) largely due to stronger performance in our Assets-based lending portfolio. Our Asset-based loan books grew from \$226 million at the end of December 2018 to \$253 million as at 31 December 2019.

Besides achieving higher interest income, interest expense of the Group was lower compared to the corresponding periods. This was in line with the reduced bank borrowings.

Consequently net Interest Margin (“NIM”) improved from 6.8% in fourth quarter 2018 (“**4Q FY2018**”) to 7.2% in 4Q FY2019, and from 6.6% in 12 months ended 31 December 2018 (“**12M FY2018**”) to 6.9% in 12M 2019.

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

Non-interest income decreased by 78% to \$4.4 million in 4Q FY2019 and 37% to \$21.3 million in 12M FY2019 mainly due to (i) reduction in overall production volume in our insurance segment as a result of portfolio reorganisation and (ii) once off gain on disposal of office property of \$16.3 million recorded in 4Q FY2018.

Excluding the gain on disposal of office property in FY2018, non-interest income was 21% higher in FY2019 as compared against FY2018.

## Operating expenses

Higher operating expenses incurred in 4Q FY2019 was due to the higher commission expenses and unrealised foreign exchange loss arising from revaluation of monetary assets and liabilities.

Total operating expenses for 12M FY2019 increased by 5.5% to \$24.2 million; largely due to higher staff costs.

## Net claims incurred

With the reorganisation of our Insurance business portfolio, the Group continued to see a decline in its net claims incurred for 4Q FY2019 and 12M FY2019.

## Allowances and Impairments – (reversal)/recognition

|                                   | 3 months ended<br>31 December |            |               | 12 months ended<br>31 December |            |           |
|-----------------------------------|-------------------------------|------------|---------------|--------------------------------|------------|-----------|
|                                   | 4Q FY2019                     | 4Q FY2018  | + / (-)       | 12M FY2019                     | 12M FY2018 | + / (-)   |
|                                   | S\$'000                       | S\$'000    | %             | S\$'000                        | S\$'000    | %         |
| Stage 1                           | (113)                         | 80         | NM            | (108)                          | 8          | NM        |
| Stage 2                           | 17                            | (146)      | NM            | 46                             | (376)      | NM        |
| Stage 3                           | 133                           | 269        | (50.6)        | (1,570)                        | 657        | NM        |
| Others (see 1(a)(ii))             | 106                           | 159        | (33.3)        | 1,240                          | 464        | 167.2     |
|                                   |                               |            |               | -                              | -          |           |
| <b>Allowances and Impairments</b> | <b>143</b>                    | <b>362</b> | <b>(60.5)</b> | <b>(392)</b>                   | <b>753</b> | <b>NM</b> |

The Group recovered \$2.3 million from its Non-Performing Loans ("NPL") accounts in Thailand that were previously impaired, hence recorded a net reversal of provision for impairment in FY2019.

## Profit before tax

Resultant from the better performance in Net interest income; fair value gain of unquoted equity securities and recovery from NPL accounts, the Group recorded a pre-tax profit of \$16.3 million for FY2019.

Compared against FY2018, it was \$6.3 million (28%) lower. This is due to the one-off gain of \$16.3 million recorded in FY2018 when the Group disposed of its office property.

In essence, the Group achieved an improvement of \$7.1 million in pre-tax profits from its core business and recorded a profit attributable to shareholders of \$9.4 million in FY2019; the best performing year since FY2008.

|   | FY2019        | FY2018       | Inc / (dec)  |             |
|---|---------------|--------------|--------------|-------------|
|   | \$'000        | \$'000       | \$'000       | %           |
| Profit before tax                                 | 16,343        | 22,589       | (6,246)      | -28%        |
| Less:   |               |              |              |             |
| One-off gain arising from sale of office property | -             | (16,318)     |              |             |
| Fair value gain of unquoted equity securities     | (2,943)       | -            |              |             |
| <b>Profit before tax excluding one-off gain</b>   | <b>13,400</b> | <b>6,271</b> | <b>7,129</b> | <b>114%</b> |



## **Review of Financial Position as at 31 December 2019**

Following the partial realisation of the investment portfolio during the FY 2019, total amount of other investments decreased by \$13.2 million

Gross lending assets including factoring receivables outstanding were \$471 million, a slight increase of 4.2% when compared against the base of \$452 million as at 31 December 2018. The increase was mainly due to higher loan portfolio derived from the growth in our Lending business.

Despite the higher loan portfolio, bank borrowings were \$17 million lower in FY2019 due to repayment of bank loans through the utilisation of proceeds from sale of office property.

With the improved results achieved in FY2019 and lowered borrowings, the Group managed to achieve a healthy current ratio of 1.29 times (31 December 2018: 1.23 times).

### **Cash flows from operating activities**

The Group recorded net cash outflows of \$13.5 million for 4Q FY2019 and \$7.3 million for 12M FY2019 as a result of the increase in loan disbursements.

### **Cash flows from investing activities**

The net cash outflow from investing activities for 4Q FY2019 was mainly due to purchase of investments.

However, the Group received a total of \$29.9 million for 12M FY2019 following the partial realisation of our investment portfolio.

Details of purchase of investments and proceeds from redemption/disposal of investments for 4Q FY2019 and 12M FY2019 were as follows:

|  | <b>Purchase of investments</b> |                               | <b>Proceeds from redemption / disposal of investments</b> |                               |
|--|--------------------------------|-------------------------------|---|-------------------------------|
|  | <b>4Q FY2019<br/>S\$'000</b>   | <b>12M FY2019<br/>S\$'000</b> | <b>4Q FY2019<br/>S\$'000</b>                              | <b>12M FY2019<br/>S\$'000</b> |
| <u>ECICS Limited</u> *                     |                                |                               |   |                               |
| - Quoted equity securities                 | 3,180                          | 6,668                         | 856   | 3,812                         |
| - Quoted debt securities                   | 4,280                          | 7,940                         | 3,624   | 13,037                        |
| <u>IFS Group</u> (excluding ECICS Limited) | 56                             | 56                            | 37  | 13,071                        |
| <b>Total</b>                               | <b>7,516</b>                   | <b>14,664</b>                 | <b>4,517</b>  | <b>29,920</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 generated from or used in financing activities arose from additional drawdown or repayment of the interest-bearing borrowings to meet the lending activities requirements.

## **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 quarter ended 30 September 2019 dated 8 November 2019.

**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.**

The strong business momentum of 2019 has continued into the first 2 months of this year. The initiatives that the company has taken in recent years are beginning to bear fruit in terms of new growth areas, especially in the lending business. Efforts to address weakness in our insurance business are progressing but more time is needed before that segment is profitable.

However, the outbreak of COVID-19 will adversely impact our business, particularly if the crisis is prolonged. Given the wide geographic spread, the stringent restrictions that governments everywhere are placing on travel and social mingling, and the possibility of a sharp slowdown in China, economic growth will slow in the countries we operate in. Thus, there is a risk that our business volumes could decline in the coming months. Nevertheless, we have been careful about the quality of our portfolio and have ensured that the bulk of our loans extended are on a secured basis. These measures will help mitigate the adverse impact on our profitability.

**11 Dividend**

**(a) Current Financial Period**

|                  |                                |
|------------------|--------------------------------|
| Name of Dividend | First and Final                |
| Dividend Type    | Cash (Ordinary)                |
| Dividend Rate    | 0.78 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    | 0.55 Singapore cents per share |
| Tax Rate         | One-tier tax exempt            |

**(c) Date Payable**

15 May 2020, 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 5 May 2020, 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 2019.

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 4 May 2020 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 4 May 2020 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<br/>Financing<br/>S\$'000</b> | <b>Insurance<br/>S\$'000</b> | <b>Private equity<br/>and other<br/>investments<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|---|---|------------------------------|---|--------------------------|
| <b>2019</b>   |   |                              |   |                          |
| <b>Operating results</b>                                    |   |                              |   |                          |
| Total operating income                                      | 41,266                                  | 8,144                        | 3,406   | 52,816                   |
| Reportable segment profit/(loss) before tax                 | 17,574                                  | (4,371)                      | 3,140   | 16,343                   |
| Net interest income   | 25,288                                  | -                            | -   | 25,288                   |
| Net earned premium revenue                                  | -                                       | 6,169                        | -   | 6,169                    |
| Non-interest income   | 9,819                                   | 2,169                        | 3,140   | 15,128                   |
| Other material non-cash items:                              |   |                              |   |                          |
| - Provisions for loan losses and impairment of other assets | 1,418                                   | (1,026)                      | -   | 392                      |
| - Depreciation and amortisation                             | (1,415)                                 | (109)                        | -   | (1,524)                  |
| <b>Assets and liabilities</b>                               |   |                              |   |                          |
| Reportable segment assets                                   | 441,154                                 | 51,407                       | 10,352  | 502,913                  |
| Capital expenditure   | 331                                     | 4                            | -   | 335                      |
| Reportable segment liabilities                              | 280,364                                 | 26,169                       | 598   | 307,131                  |
| <b>2018</b>   |   |                              |   |                          |
| <b>Operating results</b>                                    |   |                              |   |                          |
| Total operating income                                      | 36,907                                  | 7,249                        | 630   | 44,786                   |
| Reportable segment profit/(loss) before tax                 | 25,628                                  | (4,720)                      | 1,681   | 22,589                   |
| Net interest income   | 20,028                                  | -                            | -   | 20,028                   |
| Net earned premium revenue                                  | -                                       | 6,853                        | -   | 6,853                    |
| Non-interest income   | 24,946                                  | 409                          | 1,728   | 27,083                   |
| Other material non-cash items:                              |   |                              |   |                          |
| - Provisions for loan losses and impairment of other assets | (666)                                   | (87)                         | -   | (753)                    |
| - Depreciation and amortisation                             | (1,240)                                 | (143)                        | -   | (1,383)                  |
| <b>Assets and liabilities</b>                               |   |                              |   |                          |
| Reportable segment assets                                   | 423,695                                 | 57,041                       | 20,740  | 501,476                  |
| Capital expenditure   | 1,232                                   | 194                          | -   | 1,426                    |
| Reportable segment liabilities                              | 291,332                                 | 26,852                       | 436   | 318,619                  |

- 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<br/>income<br/>S\$'000</b> | <b>Non-current<br/>assets<br/>S\$'000</b> | <b>Total<br/>assets<br/>S\$'000</b> |
|-------------|---|---|-------------------------------------|
| <b>2019</b> |   |   |                                     |
| Singapore   | 27,190                                  | 3,166                                     | 287,897                             |
| Thailand    | 19,567                                  | 4,753                                     | 182,393                             |
| Malaysia    | 3,077                                   | 740                                       | 15,212                              |
| Indonesia   | 2,982                                   | 308                                       | 21,160                              |
| Others      | -                                       | -   | 69                                  |
|             | <b>52,816</b>                           | <b>8,968</b>                              | <b>506,731</b>                      |
| <b>2018</b> |   |   |                                     |
| Singapore   | 21,249                                  | 1,241                                     | 277,590                             |
| Thailand    | 18,614                                  | 4,978                                     | 186,621                             |
| Malaysia    | 2,634                                   | 132                                       | 22,794                              |
| Indonesia   | 2,289                                   | 143                                       | 18,916                              |
| Others      | -                                       | -   | 534                                 |
|             | <b>44,786</b>                           | <b>6,494</b>                              | <b>506,455</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>FY2019<br/>S\$'000</b> | <b>FY2018<br/>S\$'000</b> | <b>+ / (-)<br/>%</b> |
|---|---------------------------|---------------------------|----------------------|
| Sales reported for first half year  | 25,767                    | 22,161                    | 16.3                 |
| Operating profit after tax before deducting non-controlling interests reported for first half year  | 6,848                     | 1,352                     | NM                   |
| Sales report for second half year   | 27,049                    | 22,625                    | 19.6                 |
| Operating profit after tax before deducting non-controlling interests reported for second half year | <b>5,257</b>              | <b>18,511</b>             | <b>(71.6)</b>        |

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

|                          | <b>FY2019<br/>S\$'000</b> | <b>FY2018<br/>S\$'000</b> | <b>+ / (-)<br/>%</b> |
|--------------------------|---------------------------|---------------------------|----------------------|
| <b>Ordinary</b>          |                           |                           |                      |
| First and Final          | 2,933                     | 2,068                     | 42                   |
| Proposed First and Final | -                         | -                         |                      |
| <b>Total</b>             | <b>2,933</b>              | <b>2,068</b>              | <b>42</b>            |

- 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 | 63         | 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**  
 28 February 2020



**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 ended 31 December 2019 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  
28 February 2020