

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

**Condensed Interim Financial Statements
For the six months and full year ended 31 December 2021**

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

	6 months ended			12 months ended		
	31 December			31 December		
	2H FY2021	2H FY2020	+ /(-)	12M FY2021	12M FY2020	+ /(-)
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	18,453	12,601	46.4	30,821	26,980	14.2
Interest expense	(1,726)	(2,454)	(29.7)	(3,925)	(5,984)	(34.4)
Net interest income	16,727	10,147	64.8	26,896	20,996	28.1
Gross written premiums	2,052	2,940	(30.2)	4,494	6,188	(27.4)
Change in gross provision for unexpired risks	827	964	(14.2)	1,773	753	135.5
Gross earned premium revenue	2,879	3,904	(26.3)	6,267	6,941	(9.7)
Written premiums ceded to reinsurers	(434)	(662)	(34.4)	(663)	(1,115)	(40.5)
Reinsurers' share of change in provision for unexpired risks	(345)	(996)	(65.4)	(206)	(996)	(79.3)
Reinsurance premium expense	(779)	(1,658)	(53.0)	(869)	(2,111)	(58.8)
Net earned premium revenue (i)	2,100	2,246	(6.5)	5,398	4,830	11.8
Fee and commission income	3,149	3,053	3.1	6,380	6,497	(1.8)
Investment income	(55)	561	NM	785	709	10.7
Other income	581	171	NM	914	461	98.3
Sub-total (ii)	3,675	3,785	(2.9)	8,079	7,667	5.4
Non-interest income (i) + (ii)	5,775	6,031	(4.2)	13,477	12,497	7.8
Grant income	19	476	(96.0)	19	1,491	(98.7)
Income before operating expenses	22,521	16,654	35.2	40,392	34,984	15.5
Business development expenses	(266)	(244)	9.0	(457)	(514)	(11.1)
Commission expenses	(469)	(859)	(45.4)	(1,100)	(1,596)	(31.1)
Staff costs	(8,593)	(7,285)	18.0	(16,021)	(14,436)	11.0
General and administrative expenses	(3,865)	(3,382)	14.3	(7,324)	(6,707)	9.2
Operating expenses	(13,193)	(11,770)	12.1	(24,902)	(23,253)	7.1
Change in provision for insurance claims	2,178	(889)	NM	3,653	751	NM
Reinsurers' share of change in provision for insurance claims	(755)	1,563	NM	(756)	1,451	NM
Gross claims paid	(1,558)	(18,277)	(91.5)	(4,386)	(21,964)	(80.0)
Reinsurers' share of claims paid	7	12,086	(99.9)	-	12,913	(100.0)
Net claims incurred	(128)	(5,517)	(97.7)	(1,489)	(6,849)	(78.3)
Operating profit before allowances	9,200	(633)	NM	14,001	4,882	186.8
Allowances for loan losses and impairment of other assets	(411)	(1,872)	(78.0)	(1,312)	(2,345)	(44.1)
Profit/(loss) before tax	8,789	(2,505)	NM	12,689	2,537	NM
Tax expense	(2,172)	1,014	NM	(3,040)	(176)	NM
Profit/(loss) for the period/year	6,617	(1,491)	NM	9,649	2,361	NM
Profit attributable to:						
Owners of the Company	5,732	(2,093)	NM	7,951	795	NM
Non-controlling interests	885	602	47.0	1,698	1,566	8.4
Profit for the period/year	6,617	(1,491)	NM	9,649	2,361	NM

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 FY2021	2H FY2020	+/(-) %	12M FY2021	12M FY2020	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	6,617	(1,491)	NM	9,649	2,361	NM
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Defined benefit plan remeasurement	9	36	(75)	9	36	(75)
	9	36	(75.0)	9	36	(75.0)
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences of foreign operations	(1,961)	(1,740)	12.7	(5,490)	(1,434)	NM
(i)	(1,961)	(1,740)	12.7	(5,490)	(1,434)	NM
Other comprehensive income for the period/year, net of tax	(1,952)	(1,704)	14.6	(5,481)	(1,398)	NM
Total comprehensive income for the period/year	4,665	(3,195)	NM	4,168	963	NM
Attributable to:						
Owners of the Company	4,390	(3,417)	NM	3,957	(326)	NM
Non-controlling interests	275	222	23.9	211	1,289	(83.6)
	4,665	(3,195)	NM	4,168	963	NM

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

Earnings Per Ordinary Share	6 months ended 31 December		12 months ended 31 December	
	2H FY2021	2H FY2020	12M FY2021	12M FY2020
- on weighted-average number of ordinary shares in issue	1.53 cents	(0.56) cents	2.12 cents	0.21 cents
- on fully diluted basis	1.53 cents	(0.56) cents	2.12 cents	0.21 cents

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 FY2021 and 12M FY2021 was largely due to the weakening of Thai Baht against Singapore dollars in 2021.

Exchange rates for the respective reporting period were as follows:

	31-Dec 2021	30-Jun 2021	31-Dec 2020	30-Jun 2020
THB against SGD	25.025	24.141	22.954	22.441
MYR against SGD	3.0845	3.0855	3.0451	3.0713
IDR against SGD	10,534	10,781	10,644	10,265

B. Condensed interim statements of financial position

	Note	Group		Company	
		31-12-21 S\$'000	31-12-20 S\$'000	31-12-21 S\$'000	31-12-20 S\$'000
Non-current assets					
Property, plant and equipment	12	1,535	1,929	231	247
Intangible assets	11	505	769	423	637
Investment properties	13	2,319	2,730	-	-
Subsidiaries		-	-	100,333	86,663
Other investments	10	15,087	18,819	14	54
Loans, advances, hire purchase and leasing receivables		18,164	82,332	11,709	75,837
Deferred tax assets		3,179	3,692	-	-
Right-of-use assets		1,753	2,525	1,149	1,834
		42,542	112,796	113,859	165,272
Current assets					
Reinsurers' share of insurance contract provisions		4,026	4,988	-	-
Insurance receivables		1,094	1,497	-	-
Loans, advances, hire purchase and leasing receivables		83,471	169,160	64,604	105,723
Trade and other receivables		146,867	128,420	18,837	57,537
Property held for sale		360	292	-	-
Other investments	10	10,884	12,554	-	444
Cash and cash equivalents		112,563	51,720	79,941	24,897
		359,265	368,631	163,382	188,601
Total assets		401,807	481,427	277,241	353,873
Equity					
Share capital	15	137,302	137,302	137,302	137,302
Other reserves		(1,498)	2,505	-	-
Accumulated profits		43,151	35,943	48,276	43,190
Equity attributable to owners of the Company		178,955	175,750	185,578	180,492
Non-controlling interests		17,305	17,886	-	-
Total equity		196,260	193,636	185,578	180,492
Non-current liabilities					
Interest-bearing borrowings	14	25,250	13,538	17,767	3,745
Employee benefits		1,558	1,504	-	-
Deferred tax liabilities		109	142	90	123
Lease liabilities		1,048	1,837	489	1,192
		27,965	17,021	18,346	5,060
Current liabilities					
Trade and other payables		15,025	14,203	9,827	8,805
Insurance payables		1,862	1,635	-	-
Interest-bearing borrowings	14	143,153	233,350	61,818	158,834
Insurance contract provisions for - gross unexpired risks		4,212	5,985	-	-
- gross unexpired claims		10,455	14,108	-	-
Lease liability		827	766	703	666
Current tax payable		2,048	723	969	16
		177,582	270,770	73,317	168,321
Total liabilities		205,547	287,791	91,663	173,381
Total equity and liabilities		401,807	481,427	277,241	353,873

C. Condensed interim statements of changes in equity

<u>Group</u> 2021	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 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>Group</u>	Note	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
		Share capital	Capital reserve	Translation reserve	Accumulated profits			
2020		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2020		137,302	108	3,546	38,052	179,008	17,945	196,953
Total comprehensive income for the period								
Profit for the period		-	-	-	795	795	1,566	2,361
<i>Other comprehensive income</i>								
Foreign currency translation differences		-	-	(1,149)	-	(1,149)	(285)	(1,434)
Defined benefit plan remeasurement		-	-	-	25	25	11	36
Tax on other comprehensive income		-	-	-	3	3	(3)	-
<i>Total other comprehensive income</i>		-	-	(1,149)	28	(1,121)	(277)	(1,398)
Total comprehensive income for the period		-	-	(1,149)	823	(326)	1,289	963
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid to owners of the Company	8	-	-	-	(2,932)	(2,932)	-	(2,932)
Total contributions by and distributions to owners		-	-	-	(2,932)	(2,932)	-	(2,932)
Changes in ownership interests in subsidiaries								
Dividends paid by a subsidiary company to non-controlling interests		-	-	-	-	-	(1,348)	(1,348)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	(1,348)	(1,348)
Total transactions with owners		-	-	-	(2,932)	(2,932)	(1,348)	(4,280)
At 31 December 2020		137,302	108	2,397	35,943	175,750	17,886	193,636

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
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
2020				
At 1 January 2020		137,302	41,681	178,983
Total comprehensive income for the period				
Profit for the period		-	4,441	4,441
Total comprehensive income for the period		-	4,441	4,441
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends paid to owners of the Company	8	-	(2,932)	(2,932)
Total contributions by and distributions to owners		-	(2,932)	(2,932)
At 31 December 2020		137,302	43,190	180,492

D. Condensed interim consolidated statement of cash flows

	Note	6 months ended		12 months ended	
		31 December		31 December	
		2H FY2021	2H FY2020	12M FY2021	12M FY2020
		S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities					
Profit/(loss) for the period		6,617	(1,491)	9,649	2,361
Adjustments for:					
Amortisation of intangible assets and debt securities at amortised cost	6	153	162	302	335
Net foreign exchange gain		(1,348)	(1,456)	(4,152)	(1,385)
Depreciation of property, plant and equipment	6	280	290	567	592
Depreciation of right-of-use assets	6	413	420	824	787
(Gain)/loss on disposal of equity securities		(2)	18	(2)	66
Gain on disposal of property, plant and equipment	6	(2)	(10)	(31)	(15)
Net change in fair value of financial assets at fair value through profit or loss	6	580	(102)	578	528
Recognition of allowance for impairment of investments at amortised cost	6	420	211	405	305
(Reversal of)/provision for, net of reinsurers' share					
- unexpired risks	6	(482)	32	(1,567)	243
- insurance claims	6	(1,423)	(674)	(2,897)	(2,202)
Interest income		(18,453)	(12,601)	(30,821)	(26,980)
Interest income from investments and fixed deposits		(403)	(472)	(789)	(909)
Dividend income from investments		(116)	(112)	(543)	(376)
Interest expense on borrowings		1,726	2,454	3,925	5,984
Interest expense on lease liabilities		51	68	110	140
Intangible assets writted off		81	-	81	-
Tax expense	7	2,172	(1,014)	3,040	176
Operating cash flows before changes in working capital		(9,736)	(14,277)	(21,321)	(20,350)
Changes in working capital					
Factoring receivables		(20,079)	(7,917)	(25,567)	44,483
Factoring amounts due to clients		965	(1,420)	7,507	(9,754)
Loans, advances, hire purchase and lease receivables		126,079	(5,397)	149,864	(9,910)
Insurance and other receivables		137	1,332	341	168
Trade, other and insurance payables		4,006	1,179	1,113	(900)
Cash generated from/(used in) operations		101,372	(26,500)	111,937	3,737
Interest received		18,856	13,073	31,610	27,889
Interest paid		(1,726)	(2,454)	(3,925)	(5,984)
Taxes paid, net		(626)	(881)	(1,315)	(1,987)
Net cash generated from/(used in) operating activities		117,876	(16,762)	138,307	23,655

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

	6 months ended		12 months ended	
	31 December		31 December	
	2H FY2021	2H FY2020	12M FY2021	12M FY2020
Note	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2	10	31	15
Purchase of property, plant and equipment	(48)	(101)	(63)	(181)
Purchase of intangible assets	(23)	33	(98)	(103)
Purchase of investments	(500)	(4,088)	(3,491)	(7,276)
Proceeds from disposal of investments	2,024	6,563	7,941	18,860
Dividend received from investments	116	112	543	376
Net cash generated from investing activities	1,571	2,529	4,863	11,691
Cash flows from financing activities				
Dividends paid				
- by the Company	-	-	(752)	(2,932)
- by a subsidiary company to non-controlling interests	-	-	(792)	(1,348)
Repayment of interest-bearing borrowings	(57,495)	6,919	(78,485)	(15,410)
Repayment of lease liabilities	(447)	(442)	(888)	(837)
Net cash (used in)/generated from financing activities	(57,942)	6,477	(80,917)	(20,527)
Net increase/(decrease) in cash and cash equivalents				
	61,505	(7,756)	62,253	14,819
Cash and cash equivalents at beginning of period	51,591	59,859	51,720	37,191
Effect of exchange rate fluctuations on cash held	(533)	(383)	(1,410)	(290)
Cash and cash equivalents at end of period	112,563	51,720	112,563	51,720
Analysis of cash and cash equivalents				
Fixed deposits	38,736	10,092	38,736	10,092
Cash at banks and on hand	73,827	41,628	73,827	41,628
Cash and cash equivalents at end of period	112,563	51,720	112,563	51,720

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 2021 and for twelve months ended 31 December 2021 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 2021 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 30 June 2021.

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 2021. 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 have 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.

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 with respect to 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 on quarterly basis.

Significant valuation issues are reported to the Group Audit 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 and CFO review the internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments.

Credit financing:	Credit financing encompasses commercial providing services to corporate clients, mainly the small and medium-sized enterprises. The commercial services provided include factoring, 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 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, investment income. Performance is measured based on segment profit before tax.

	Private equity and other investments				Total S\$'000
	Credit Financing S\$'000	Insurance S\$'000	investments S\$'000	Fund Management S\$'000	
31-Dec-21					
Operating results					
Total operating income	32,738	6,410	403	-	39,551
Reportable segment profit before tax	13,397	(20)	(128)	(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 other assets	(936)	(376)	-	-	(1,312)
- Depreciation and amortisation	(1,606)	(61)	-	-	(1,667)
Assets and liabilities					
Reportable segment assets	354,973	35,995	7,059	688	398,715
Capital expenditure	211	8	-	-	219
Reportable segment liabilities	185,352	17,480	406	148	203,386

	Credit Financing S\$'000	Insurance S\$'000	Private equity and other investments S\$'000	Total S\$'000
31-Dec-20				
Operating results				
Total operating income	27,397	5,352	371	33,120
Reportable segment profit/(loss) before tax	8,414	(6,247)	370	2,537
Net interest income	20,996	-	-	20,996
Net earned premium revenue	-	4,830	-	4,830
Non-interest income	6,773	524	370	7,667
Other material non-cash items:				
- Provisions for loan losses and impairment of other assets	(1,872)	(473)	-	(2,345)
- Depreciation and amortisation	(1,632)	(68)	-	(1,700)
Assets and liabilities				
Reportable segment assets	432,182	41,558	4,057	477,797
Capital expenditure	732	31	-	763
Reportable segment liabilities	263,517	22,986	418	286,921
			31/12/2021	31/12/2020
			S\$'000	S\$'000
Assets				
Total assets for reportable segments			398,715	477,797
Other unallocated amounts			3,092	3,630
Consolidated assets			401,807	481,427
Liabilities				
Total liabilities for reportable segments			203,386	286,921
Other unallocated amounts			2,161	870
Consolidated liabilities			205,547	287,791

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

	Operating income S\$'000	Non-current assets S\$'000	Total assets S\$'000
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
	39,551	6,112	401,807
2020			
Singapore	16,565	2,845	300,448
Thailand	14,031	4,219	150,657
Malaysia	1,825	626	12,615
Indonesia	699	264	17,707
	33,120	7,954	481,427

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 2021 and 31 December 2020:

	Group		Company	
	As at 31-Dec-21 S\$ '000	As at 31-Dec-20 S\$ '000	As at 31-Dec-21 S\$ '000	As at 31-Dec-20 S\$ '000
Financial Assets				
Other investment	25,971	31,373	14	498
Insurance receivables	1,094	1,497	-	-
Loans, Advances, Hire Purchases and Leasing Receivables	101,635	251,492	76,313	181,560
Trade and other receivables (exclude prepayment)	146,420	128,034	18,630	57,369
Cash and cash equivalents	112,563	51,720	79,941	24,897
	387,683	464,116	174,898	264,324
Financial Liabilities				
Trade and other payables	15,025	14,203	9,827	8,805
Insurance payable	1,862	1,635	-	-
Interest-bearing borrowings	168,403	246,888	79,585	162,579
	185,290	262,726	89,412	171,384

6. Profit before taxation

	6 months ended			12 months ended		
	31 December		+/(-) %	31 December		+/(-) %
	2H FY2021	2H FY2020		12M FY2021	12M FY2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Investment income						
- dividend, fee and interest income	519	584	(11.1)	1,332	1,285	3.7
- loss on disposal of debt securities	2	(18)	NM	2	(66)	NM
- net change in fair value of financial assets at fair value through profit or loss	(580)	102	NM	(578)	(528)	9.5
- amortisation of debt securities at amortised cost	(9)	(11)	(18.2)	(26)	(14)	85.7
- exchange gain	12	(96)	NM	54	32	68.8
	<u>(56)</u>	<u>561</u>	<u>NM</u>	<u>784</u>	<u>709</u>	<u>10.6</u>
Gain on disposal of property, plant and equipment	2	10	(80.0)	31	15	106.7
Amortisation of intangible assets	(144)	(151)	(4.6)	(276)	(321)	(14.0)
Depreciation of property, plant and equipment	(280)	(290)	(3.4)	(567)	(592)	(4.2)
Depreciation of right-of-use assets	(413)	(420)	(1.5)	(824)	(787)	4.7
Foreign currency differences						
- exchange gain arising from revaluation	(105)	(143)	(26.6)	(92)	166	NM
	<u>(940)</u>	<u>(994)</u>	<u>(5.3)</u>	<u>(1,728)</u>	<u>(1,519)</u>	<u>13.8</u>
Reversal of/(Provision for) unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	827	964	(14.2)	1,773	753	135.5
- reinsurers' share of change in provision for unexpired risks	(345)	(996)	(65.4)	(206)	(996)	(79.3)
	<u>482</u>	<u>(32)</u>	<u>NM</u>	<u>1,567</u>	<u>(243)</u>	<u>NM</u>
Claims incurred, net of reinsurers' share						
- net of change in provision for insurance Claims	1,423	674	111.1	2,897	2,202	31.6
- net Claims paid	(1,551)	(6,191)	(74.9)	(4,386)	(9,051)	(51.5)
	<u>(128)</u>	<u>(5,517)</u>	<u>(97.7)</u>	<u>(1,489)</u>	<u>(6,849)</u>	<u>(78.3)</u>
Allowance for loan losses and impairment of investments						
- stage 1 provision	79	24	NM	177	242	(26.9)
- stage 2 provision	117	168	(30.4)	155	(24)	NM
- stage 3 provision	(363)	(1,635)	(77.8)	(1,031)	(1,760)	(41.4)
- insurance and other receivables	178	(200)	NM	(207)	(470)	(56.0)
- debts written off	(2)	(18)	(88.9)	(1)	(28)	(96.4)
- investments at amortisation cost	(420)	(211)	99.1	(405)	(305)	32.8
	<u>(411)</u>	<u>(1,872)</u>	<u>(78.0)</u>	<u>(1,312)</u>	<u>(2,345)</u>	<u>(44.1)</u>

7. Taxation

The Group calculates the period income tax expenses using the tax rate that would be applicable 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 FY2021	2H FY2020	+ / (-)	12M FY2021	12M FY2020	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Tax expenses						
- current	(2,043)	(437)	NM	(2,705)	(1,559)	73.5
- deferred	(129)	(42)	NM	(335)	(31)	NM
- under provision of prior years' tax	-	1,493	NM	-	1,414	NM
	<u>(2,172)</u>	<u>1,014</u>	<u>NM</u>	<u>(3,040)</u>	<u>(176)</u>	<u>NM</u>

8. Dividend

The following dividends were declared and paid by the Company:

<u>Dividends paid</u>	Group	
	As at	As at
	31-Dec-21	31-Dec-20
	S\$ '000	S\$ '000
A first and final one-tier tax exempt dividend of 0.2 cents per ordinary share (2020:0.78 cents per ordinary share) paid in respect of previous financial period	752	2,932

9. Net Asset Value

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net Asset Value (NAV) per ordinary share	47.6 cents	46.7 cents	49.4 cents	48.0 cents
NAV computed based on no. of ordinary shares issued	375,969,665	375,969,665	375,969,665	375,969,665

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 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>14,763</u>	<u>-</u>	<u>-</u>	<u>14,763</u>
31 December 2020					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	7,022	5,221	-	1,801	7,022
- Debt securities	4,551	4,551	-	-	4,551
- Convertible loans	1,500	-	-	1,500	1,500
	<u>13,073</u>	<u>9,772</u>	<u>-</u>	<u>3,301</u>	<u>13,073</u>
Financial Assets not measured at fair value					
Debt securities at amortised cost	<u>18,300</u>	<u>18,310</u>	<u>500</u>	<u>-</u>	<u>18,810</u>
Company					
31 December 2021					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	<u>14</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
31 December 2020					
Financial Assets measured at fair value					
FVTPL financial assets					
- Equity securities	<u>498</u>	<u>444</u>	<u>-</u>	<u>54</u>	<u>498</u>

11. Intangible assets

As at 31 December 2021, intangible assets consist of computer software \$499,000 (31 December 2020: \$763,000) and membership rights \$6,000 (31 December 2020: \$6,000).

12. Property, plant, and equipment

During the twelve months ended 31 December 2021, the Group acquired assets amounting to \$63,000 (31 December 2020: \$181,000).

13. Investment properties

	Group	
	2021 S\$ '000	2020 S\$ '000
Cost		
At 1 January	3,851	3,913
Effects of movements in exchange rate	(319)	(62)
End of the year	3,532	3,851
Accumulated depreciation		
At 1 January	1,120	932
Depreciation for the year	192	202
Effects of movements in exchange rate	(99)	(13)
End of the year	1,213	1,121
Net Book value		
As at 31 December	2,319	2,730
Fair value		
As at 31 December	5,062	5,194

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-21 S\$'000	As at 31-Dec-20 S\$'000	As at 31-Dec-21 S\$'000	As at 31-Dec-20 S\$'000
Amount repayable in one year or less, or on demand	143,153	233,350	61,818	158,834
Amount repayable after one year	25,250	13,538	17,767	3,745
	168,403	246,888	79,585	162,579

15. Share capital

	Group and Company	
	Number of Ordinary Shares (excluding Treasury Shares)	
	As at 31 Dec 2021	As at 31 Dec 2020
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 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

16. Subsequent events

There are no known subsequent events which have led to adjustment 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 2021 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 period 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			12 months ended		
	31 December			31 December		
	2H FY2021	2H FY2020	+ / (-)	12M FY2021	12M FY2020	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Factoring	5,629	5,133	9.7	11,188	11,493	(2.7)
Loans, advances, hire purchase and leasing	12,824	7,468	71.7	19,633	15,487	26.8
Interest income	18,453	12,601	46.4	30,821	26,980	14.2
Interest expense	(1,726)	(2,454)	(29.7)	(3,925)	(5,984)	(34.4)
Net interest income	16,727	10,147	64.8	26,896	20,996	28.1

While the Group managed to achieve an improvement of about 14% in our Factoring business volume in Thailand, we saw a marginal drop in the interest income earned due to the weak Thai baht in 2021.

On the Asset-based lending business, interest income earned of \$19.6 million was the highest since FY2016. While we experienced high NPL ratio in FY2020 due to Covid, we have continued to make progress in our collections and recovery from Non-Performing Loans (NPL) accounts in FY2021 and recognised those interest income that were deferred during the last financial year. Starting FY2020, the Group applied a conservative method of auto non-recognition of interest income for accounts that are 90 days past due (Non-Performing Loans), notwithstanding that they are largely property-secured loans. Recognition of these interest incomes will only be upon completion of the NPL recoveries.

Consequently net interest margin (NIM) increased to 10.4% (FY2020: 6.1%).

2. Review of performance of the Group (continued)

ii) Non-interest income

	6 months ended 31 December			12 months ended 31 December		
	2H FY2021	2H FY2020	+ / (-)	12M FY2021	12M FY2020	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net earned premium revenue	2,100	2,246	(6.5)	5,398	4,830	11.8
Fee and commission income	3,149	3,053	3.1	6,380	6,497	(1.8)
Investment income	(55)	561	NM	785	709	10.7
Other income	581	171	NM	914	461	98.3
Non-interest income	5,775	6,031	(4.2)	13,477	12,497	7.8

Higher Net Earned Premium (NEP) was due to the release of premium liabilities arising from the reduction in production volume in the Miscellaneous and Workmen Compensation line of business. Higher production volume in the core Motor line, better claims experience resulting in downward revision in assumed loss ratio for unexpired risk for other lines of business have also contributed to the higher NEP in FY2021.

Except for our business in Thailand, lower fee income was earned in the other countries where we have operations due to the decline in business volume.

Investment income earned in FY2021 was slightly higher due to dividend received.

iii) Operating expenses

Higher operating expenses were incurred in FY2021 as the Group commenced investment into people and technologies for its new businesses.

iv) Allowances and impairment - recognition

	6 months ended 31 December			12 months ended 31 December		
	2H FY2021	2H FY2020	+ / (-)	12M FY2021	12M FY2020	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Stage 1	(78)	(24)	NM	(177)	(242)	(26.9)
Stage 2	(116)	(168)	(31.0)	(155)	24	NM
Stage 3	363	1,635	(77.8)	1,031	1,760	(41.4)
Others	242	429	(43.6)	613	803	(23.7)
Allowances and Impairments	411	1,872	(78.0)	1,312	2,345	(44.1)

2. Review of performance of the Group (continued)

v) Profit before tax

The Group's improved profitability in FY2021 was contributed by the following:

1. Higher net interest income earned from its operations in Singapore & Thailand and higher net earned premium from the Group's insurance business.
2. Substantial reduction in Net Claims Incurred due to the absence of bond calls. In FY2020, the Group suffered total net claims of \$5.5 million arising from 2 performance bonds issued on behalf of clients in the construction industry.

As a result, profit attributable to shareholders attained in FY2021 rose by \$7.2 million to \$8 million (FY2020: \$0.8 million).

vi) Financial position as at 31 December 2021

Other investments dropped by \$5.4 million resultant from the disposal of equity securities, redemption of corporate bonds upon maturity as well as fair value loss arising from unquoted convertible loans.

Gross lending assets including factoring receivables outstanding were \$310 million, a reduction of 28% compared against the base of \$433 million as at 31 December 2020; mainly due to lower loan receivables outstanding as at end of 31 December 2021.

The reduction in asset loan book was partially owing to the recoveries made from NPL accounts. In FY2021, the Group fully recovered a total of about \$90 million from NPL accounts.

Insurance contract provisions decreased by \$5.4 million due to a drop in business underwritten and the improved loss ratio in the Motor and Workmen Compensation business as there were lesser activities due to Covid-19

The Group repaid and reduced its bank borrowings by \$78.5 million during the FY2021 thus achieving a current ratio of 2.02 times at end of December 2021 (31 December 2020: 1.36 times) and our leverage ratio also improved to 0.94 times (31 December 2020: 1.40 times).

vii) Cash flow

The Group recorded a net operating cash generated from operating activities of \$138.3 million for FY2021 compared to \$23.7 million against the corresponding period, mainly due to higher collections from the loan receivables.

Net cash generated from investing activities for FY2021 was \$4.9 million compared to \$11.7 million against the corresponding period, mainly due to fewer disposal and/or redemption of investments.

	Purchase of investments		Proceeds from redemption / disposal of investments	
	2H FY2021 S\$'000	12M FY2021 S\$'000	2H FY2021 S\$'000	12M FY2021 S\$'000
<u>ECICS Limited</u> *				
- Quoted equity securities	-	1,033	-	525
- Quoted debt securities	500	2,458	2,023	5,840
<u>IFS Group (excluding ECICS Limited)</u>	-	-	1	1,576
Total	500	3,491	2,024	7,941

* 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 FY2021 were mostly for repayment of 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 13 August 2021.

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.

Many countries around the world, including within ASEAN, have begun to take steps to allow social and economic life to gradually return to pre-pandemic norms. This development has allowed businesses and consumers to better plan their investments and consumption and we are cautiously optimistic about the continued recovery of trade flows and economic activities in the countries where we have operations.

As we take cautious steps to grow our loan and insurance books as well as launch new products to better serve our SME and consumer clients, we remain mindful of potential downside risks to the economy due to geopolitical instabilities, sustained elevated inflation and rising interest rates.

We continue to move forward in the turnaround of our insurance business, and we are satisfied with the progress made in FY21 to grow the Motor insurance business while de-risking the bonds portfolio by reducing net exposure by 42% to \$20.3 million.

5. Dividend information

(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	0.2 Singapore cents per share
Tax Rate	One-tier tax exempt

(c) Date Payable

13 May 2022, 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 4 May 2022, 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 2021.

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 29 April 2022 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 29 April 2022 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:

	FY2021	FY2020	+/(−)
	S\$'000	S\$'000	%
Sales reported for first half year	17,871	18,330	(2.5)
Operating profit after tax before deducting non-controlling interests reported for first half year	3,032	3,852	(21.3)
Sales report for second half year	22,521	16,654	35.2
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	6,617	(1,491)	NM

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

	FY2021	FY2020	+/(−)
	S\$'000	S\$'000	%
Ordinary			
First and Final	2,933	752	290
Proposed First and Final	-	-	
Total	2,933	752	290

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	65	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 2022



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 2021 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 2022