

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

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First Quarter Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 March 2017

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**First Quarter Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 March 2017**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

	3 months ended		+ / (-) %
	1Q FY2017 S\$'000	1Q FY2016 S\$'000	
Interest income	5,911	5,769	2.5
Interest expense	(1,330)	(1,666)	(20.2)
Net interest income	4,581	4,103	11.7
Gross written premiums	3,735	2,894	29.1
Change in gross provision for unexpired risks	811	(256)	NM
Gross earned premium revenue	4,546	2,638	72.3
Written premiums ceded to reinsurers	(978)	(720)	35.8
Reinsurers' share of change in provision for unexpired risks	(381)	(517)	(26.3)
Reinsurance premium expense	(1,359)	(1,237)	9.9
Net earned premium revenue (i)	3,187	1,401	127.5
Fee and commission income	1,664	1,660	0.2
Investment income	899	277	NM
Other income	100	125	(20.0)
Sub-total (ii)	2,663	2,062	29.1
Non-interest income (i) + (ii)	5,850	3,463	68.9
Income before operating expenses	10,431	7,566	37.9
Business development expenses	(111)	(108)	2.8
Commission expenses	(708)	(558)	26.9
Staff costs	(3,251)	(2,988)	8.8
General and administrative expenses	(1,580)	(1,841)	(14.2)
Operating expenses	(5,650)	(5,495)	2.8
Change in provision for insurance claims	(1,115)	6,482	NM
Reinsurers' share of change in provision for insurance claims	(180)	(5,224)	(96.6)
Gross claims paid	(1,679)	(4,723)	(64.5)
Reinsurers' share of claims paid	235	3,176	(92.6)
Net claims incurred	(2,739)	(289)	NM
Operating profit before allowances	2,042	1,782	14.6
Allowances for loan losses and impairment of other assets	(1,208)	(1,504)	(19.7)
Profit before tax	834	278	200.0
Tax expense	(409)	(421)	(2.9)
Profit/(loss) for the period	425	(143)	NM
Profit/(loss) attributable to:			
Owners of the Company	26	(497)	NM
Non-controlling interests	399	354	12.7
Profit/(loss) for the period	425	(143)	NM

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

	3 months ended		
	31 March		
	1Q FY2017	1Q FY2016	+ / (-)
Note	S\$'000	S\$'000	%
Profit/(loss) for the period	425	(143)	NM
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Net change in fair value of available-for-sale financial assets	(i) 83	273	(69.6)
Foreign currency translation differences of foreign operations	127	(930)	NM
Tax on other comprehensive income	(ii) (1)	(47)	(97.9)
	209	(704)	NM
Other comprehensive income for the period, net of tax	209	(704)	NM
Total comprehensive income for the period	634	(847)	NM
Attributable to:			
Owners of the Company	140	(951)	NM
Non-controlling interests	494	104	NM
	634	(847)	NM

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

Notes:

- (i) Net change in fair value of available-for-sale financial assets was mainly due to mark-to-market gain on property-related projects.
- (ii) Foreign currency translation differences of foreign operations arose mainly from the translation of financial statements of foreign operations whose functional currencies are Thai Baht, Malaysian Ringgit and Indonesian Rupiah.

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

	3 months ended		
	31 March		
	1Q FY2017	1Q FY2016	+/(-) %
	S\$'000	S\$'000	
Investment income			
- dividend, fee and interest income	349	368	(5.2)
- gain on disposal of equity securities	169	149	13.4
- net change in fair value of financial assets at fair value through profit or loss	556	(158)	NM
- amortisation of held-to-maturity debt securities	(16)	(12)	33.3
- exchange loss	(159)	(70)	127.1
	<u>899</u>	<u>277</u>	NM
Gain on disposal of property, plant and equipment	-	23	NM
Amortisation of intangible assets	(117)	(105)	11.4
Depreciation of property, plant and equipment	(295)	(270)	9.3
Foreign currency differences			
- exchange (loss)/gain, net	(20)	94	NM
- realised gain on foreign exchange contracts	-	355	NM
- fair value loss on foreign exchange forward contracts	-	(670)	NM
	<u>(20)</u>	<u>(221)</u>	(91.0)
Reversal of/(provision for) unexpired risks, net of reinsurers' share			
- change in gross provision for unexpired risks	811	(256)	NM
- reinsurers' share of change in provision for unexpired risks	(381)	(517)	(26.3)
	<u>430</u>	<u>(773)</u>	NM
Claims incurred, net of reinsurers' share			
- net of change in provision for insurance claims	(1,295)	1,258	NM
- net claims paid	(1,444)	(1,547)	(6.7)
	<u>(2,739)</u>	<u>(289)</u>	NM
Reversal of/(allowance for) loan losses and impairment of investments			
- collective provision - loans and receivables	95	1,020	(90.7)
- specific provision - loans and receivables	(724)	(956)	(24.3)
- specific provision - interest accrual on non-performing accounts	(554)	(1,490)	(62.8)
- insurance and other receivables	(25)	(58)	(56.9)
- debts written off	-	(20)	NM
	<u>(1,208)</u>	<u>(1,504)</u>	(19.7)
Tax expenses			
- current tax expense	(391)	(310)	26.1
- deferred tax expense	(18)	(111)	(83.8)
	<u>(409)</u>	<u>(421)</u>	(2.9)

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.

	Group		Company	
	31/3/2017 S\$'000	31/12/2016 S\$'000	31/3/2017 S\$'000	31/12/2016 S\$'000
Non-current assets				
Property, plant and equipment	15,512	15,697	13,750	13,898
Intangible assets	515	588	96	100
Investment properties	3,888	3,914	-	-
Subsidiaries	-	-	85,747	85,747
Other investments	57,391	49,194	8,134	8,134
Loans, advances, hire purchase and leasing receivables	38,894	43,004	35,791	35,957
Deferred tax assets	5,390	5,434	632	660
	121,590	117,831	144,150	144,496
Current assets				
Reinsurers' share of insurance contract provisions	6,486	7,047	-	-
Insurance receivables	1,569	1,933	-	-
Loans, advances, hire purchase and leasing receivables	68,343	61,685	51,286	49,451
Trade and other receivables	157,452	153,681	54,775	54,470
Other investments	17,355	29,542	617	553
Cash and cash equivalents	38,827	33,724	11,975	12,029
	290,032	287,612	118,653	116,503
Total assets	411,622	405,443	262,803	260,999
Equity				
Share capital	137,302	137,302	137,302	137,302
Other reserves	(2,537)	(2,651)	978	978
Accumulated profits	16,382	16,356	21,004	21,140
Equity attributable to owners of the Company	151,147	151,007	159,284	159,420
Non-controlling interests	13,112	12,618	-	-
Total equity	164,259	163,625	159,284	159,420
Non-current liabilities				
Interest-bearing borrowings	12,227	13,033	10,441	10,938
Employee benefits	1,168	1,118	-	-
Deferred tax liabilities	346	339	-	-
	13,741	14,490	10,441	10,938
Current liabilities				
Trade and other payables	10,471	11,540	6,409	6,778
Insurance payables	1,734	2,273	-	-
Interest-bearing borrowings	194,591	187,390	86,669	83,863
Insurance contract provisions for				
- gross unexpired risks	14,945	15,756	-	-
- gross unexpired claims	10,939	9,824	-	-
Current tax payable	942	545	-	-
	233,622	227,328	93,078	90,641
Total liabilities	247,363	241,818	103,519	101,579
Total equity and liabilities	411,622	405,443	262,803	260,999

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

	Unsecured	
	As at 31-Mar-17	As at 31-Dec-16
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	194,591	187,390
Amount repayable after one year	12,227	13,033
	206,818	200,423

Details of any collateral

Nil

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended	
	31 March	
	1Q FY2017	1Q FY2016
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(loss) for the period	425	(143)
Adjustments for:		
Amortisation of intangible assets and held-to-maturity debt securities	133	117
Net foreign exchange loss	166	59
Derivative financial instrument	-	670
Depreciation of property, plant and equipment	295	270
Gain on disposal of equity securities	(169)	(149)
Gain on disposal of property, plant and equipment	-	(23)
Net change in fair value of financial assets at fair value through profit or loss	(556)	158
(Reversal of)/provision for, net of reinsurers' share		
- unexpired risks	(430)	773
- insurance claims	1,295	(1,258)
Interest income	(5,911)	(5,769)
Interest income from investments and fixed deposits	(297)	(320)
Dividend income from investments	(52)	(48)
Interest expense	1,330	1,666
Fixed assets writted off	1	-
Tax expense	409	421
Operating cash flows before changes in working capital	(3,361)	(3,576)
Changes in working capital		
Factoring receivables	(3,048)	1,370
Factoring amounts due to clients	(313)	656
Loans, advances, hire purchase and lease receivables	(2,557)	10,478
Insurance and other receivables	204	(294)
Trade, other and insurance payables	(1,240)	381
Cash (used in)/generated from operations	(10,315)	9,015
Interest received	6,013	6,157
Interest paid	(1,030)	(1,796)
Net cash (used in)/from operating activities	(5,332)	13,376

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

	3 months ended	
	31 March	
	1Q FY2017	1Q FY2016
	S\$'000	S\$'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	23
Purchase of property, plant and equipment	(50)	(29)
Purchase of intangible assets	(42)	(28)
Purchase of investments	(18,275)	(4,048)
Proceeds from disposal of investments	22,899	2,554
Dividend received from investments	52	48
Net cash from/(used in) investing activities	4,584	(1,480)
Cash flows from financing activities		
Proceeds from/(repayment of) interest-bearing borrowings	5,785	(2,543)
Net cash from/(used in) financing activities	5,785	(2,543)
Net increase in cash and cash equivalents	5,037	9,353
Cash and cash equivalents at beginning of period	33,724	33,651
Effect of exchange rate fluctuations on cash held	66	(156)
Cash and cash equivalents at end of period	38,827	42,848
Analysis of cash and cash equivalents		
Fixed deposits	18,724	26,526
Cash at banks and on hand	20,103	16,322
Cash and cash equivalents at end of period	38,827	42,848

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.

Group	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Fair value reserve	Translation reserve	Accumulated profits			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2016								
At 1 January 2016	88,032	38	3,494	(8,350)	18,802	102,016	11,468	113,484
Total comprehensive income for the period								
(Loss)/profit for the period	-	-	-	-	(497)	(497)	354	(143)
Other comprehensive income	-	-	226	(680)	-	(454)	(250)	(704)
Total comprehensive income for the period	-	-	226	(680)	(497)	(951)	104	(847)
At 31 March 2016	88,032	38	3,720	(9,030)	18,305	101,065	11,572	112,637
2017								
At 1 January 2017	137,302	38	4,663	(7,352)	16,356	151,007	12,618	163,625
Total comprehensive income for the period								
Profit for the period	-	-	-	-	26	26	399	425
Other comprehensive income	-	-	81	33	-	114	95	209
Total comprehensive income for the period	-	-	81	33	26	140	494	634
At 31 March 2017	137,302	38	4,744	(7,319)	16,382	151,147	13,112	164,259

Company	Share capital	Fair value reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
2016				
At 1 January 2016	88,032	894	21,347	110,273
Total comprehensive income for the period				
Profit for the period	-	-	103	103
Other comprehensive income	-	34	-	34
Total comprehensive income for the period	-	34	103	137
At 31 March 2016	88,032	928	21,450	110,410
2017				
At 1 January 2017	137,302	978	21,140	159,420
Total comprehensive income for the period				
Loss for the period	-	-	(136)	(136)
Total comprehensive income for the period	-	-	(136)	(136)
At 31 March 2017	137,302	978	21,004	159,284

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

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

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

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

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2017 and 31 December 2016, the issued and paid up share capital excluding treasury shares of the Company comprised of 375,969,665 (31 March 2016: 150,387,866) ordinary shares.

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

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

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

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

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

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:—

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

Earnings / (Loss) Per Ordinary Share	Group 1st Quarter	
	2017	2016
- on weighted-average number of ordinary shares in issue	0.01 cents	(0.33) cents
- on fully diluted basis	0.01 cents	(0.33) cents
Net profit / (loss) attributable to shareholders:	\$26,000	\$(497,000)
Number of shares in issue		
- on weighted-average number of ordinary shares in issue	375,969,665	150,387,866
- on fully diluted basis	375,969,665	150,387,866

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

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31-Mar-17	31-Dec-16	31-Mar-17	31-Dec-16
Net Asset Value (NAV) per ordinary share	40.2 cents	40.2 cents	42.4 cents	42.4 cents
NAV computed based on no. of ordinary shares issued	375,969,665	375,969,665	375,969,665	375,969,665

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

Net interest income

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

	Group		+/(-) %
	1Q FY2017 S\$'000	1Q FY2016 S\$'000	
Factoring	3,088	2,655	16.3
Loans, advances, hire purchase and leasing	2,037	1,931	5.5
Facility fee	101	17	NM
Interest income excluding NPLs	5,226	4,603	13.5
Non-performing loans (NPLs)	685	1,166	(41.3)
Interest income	5,911	5,769	2.5
Interest expense	(1,330)	(1,666)	(20.2)
Net interest income	4,581	4,103	11.7

Interest income excluding NPLs for the first quarter 2017 ("1Q FY2017") increased by 13.5% compared to the corresponding period in 2016 ("1Q FY2016") mainly due to higher interest income earned from factoring. Factoring volume increased by approximately \$50 million when compared to 1Q FY2016.

Interest expense fell by 20.2% when compared to 1Q FY2016 mainly due to lower average borrowing (-11.7%), resultant from utilisation of rights issue proceeds to repay the Group's interest bearing loans.

Consequently, net interest income margin improved from 6.0% in 1Q FY2016 to 6.5% in 1Q FY2017.

Non-interest income

Non-interest income increased by 68.9% to \$5.9 million (1Q FY2016: \$3.5 million) mainly due to the following:

- Increase in gross written premiums by 29.1% to \$3.7 million contributed by the higher business volume achieved from workmen injury compensation and bonds & guarantees insurance as well as the higher number of motor insurance policies written; and
- Higher investment income arising from higher market value of the equity shares held.

Operating expenses

Operating expenses increased marginally by 2.8% to \$5.7 million (1Q FY2016: \$5.5 million) mainly due to the increase of staff costs and commission expenses; offset by the decrease in general and administrative expenses.

A higher brokerage commission expense is in line with the increase in general insurance business volume.

Net claims incurred

The net claims incurred of \$2.7 million in 1Q FY2017 was mainly due to higher motor insurance paid claims and provision for case reserves.

Allowances and Impairments

	Group		
	1Q FY2017 S\$'000	1Q FY2016 S\$'000	+ /(-) %
Specific provision			
- on principals	724	956	(24.3)
- on interests	554	1,490	(62.8)
Collective provision	(95)	(1,020)	(90.7)
Others	25	78	(67.9)
Allowances and Impairments	1,208	1,504	(19.7)

The amount of specific provision (on principals) of \$0.7 million made in 1Q FY2017 relates to legacy accounts is significantly lower compared to 1Q FY2016 as provision for a significant portion of the non-performing loans ("NPLs") have already been made in previous years. There are no new NPLs in the quarter under review.

Profit before tax

Consequential to the improvement achieved in the Group's operating income and the lower provision for allowances and impairment, the Group managed to record a pre-tax profit of \$0.8 million in 1Q FY2017, a significant improvement of 200%. If not for the specific provision (on principals) of \$0.7 million made for the legacy accounts, the Group would have recorded a pre-tax profit of \$1.5 million.

The Group's gross loan assets including factoring receivables outstanding stood at \$334.0 million as at 31 March 2017. This is an increase of 4.5% and 0.8% against the bases of \$319.4 million and \$331.4 million as at 31 March 2016 and 31 December 2016. The Group's portfolio has grown in FY 2016 and is showing good momentum in FY 2017. Overall we are moving our business in the right direction.

Cash flows from operating activities

The Group recorded a net cash outflow of \$5.3 million (1Q FY2016: net cash inflow of \$13.4 million) mainly due to the increase in lending activities.

Cash flows from investing activities

The net cash inflow of \$4.6 million from investing activities in 1Q FY2017 (1Q FY2016: net cash outflow of \$1.5 million) was mainly due to proceeds received from redemption/disposal of investments exceeding the amount of cash used in purchase of investments.

Details of the purchase of investments of \$18.3 million and proceeds from redemption/disposal of investments of \$22.9 million for 1Q FY2017 were as follows:

<u>Details</u>	<u>Purchase of investments</u> S\$'000	<u>Proceeds from redemption/ disposal of investments</u> S\$'000
<u>ECICS Limited *</u>		
- Quoted equity securities	2,500	1,148
- Quoted debt securities	6,192	4,716
- Quoted money market fund	6,863	14,035
- Unquoted debt securities	2,720	3,000
<u>IFS Group (excluding ECICS Limited)</u>		
- Quoted equity securities	-	-
- Union membership upon liquidation	-	-
Total	18,275	22,899

Cash flows from financing activities

The net cash from financing activities resulted from additional interest-bearing borrowings to fund the increase in lending activities.

Cash and cash equivalents

As a result of the net cash inflow from investing and financing activities, offset by the higher drawdown of new loans and factoring receivables, we recorded a net increase in cash and cash equivalent in 1Q FY2017.

Trade and other receivables

Trade and other receivables increased by \$3.8 million to \$157.5 million in 1Q FY2017 due to higher factoring receivables from increased activities during the period.

Interest-bearing borrowings

Interest-bearing borrowings (non-current and current portions) increased by \$6.4 million (3.2%) to \$206.8 million due to the additional drawdowns to fund the increase in lending activities.

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

The current announced results are in line with the prospect statement as disclosed in the Group's full year results announcement for the year 2016 dated 23 February 2017.

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

We are seeing good business momentum in factoring. In the first quarter, our factoring funding expanded by 17% compared to the first quarter of 2016. Regional economies are all reporting better economic numbers underpinned by rising export demand which provides a better backdrop for our business than last year.

However, management remains alert to the many downside risks in the business environment. Geo-political risks have risen in the Asia-Pacific region while trade protectionism is a constant concern since most of the economies we operate in are trade-dependent. Moreover, we need to watch the risks of financial market turbulence as the US central bank tightens monetary policy and financial stresses in China remain of concern. In response, management has focused on building our two main portfolios, factoring and secured loans, as these present a lower credit risk profile.

So long as these risks do not materialise, management believes that the improvement in the Group's financial position can continue in a gradual and measured manner.

11 Dividend

(a) Current Financial Period

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Nil

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared for the period ended 31 March 2017.

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.

By Order of the Board

Chionh Yi Chian
Company Secretary
9 May 2017



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 first quarter and three months ended 31 March 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min
Chairman

Eugene Tan
Group Chief Executive Officer/Director

Ang Iris
Group Chief Financial Officer

Singapore
9 May 2017