IFS Capital Limited

THE RIGHT CONNECTIONS

ANNUAL REPORT 2015

IFS Capital Limited ("IFS"), as a regional Group provides commercial finance services like factoring, hire-purchase/leasing, loans, government-assisted schemes and trade/export finance, to small and medium sized enterprises ("SMEs"). The Group also provides bonds and guarantees, credit insurance and general insurance through its wholly-owned subsidiary, ECICS Limited.

IFS was incorporated in Singapore in 1987 and has been listed on the Mainboard of the Singapore Exchange since July 1993.

MISSION STATEMENT

To be the premier regional financial services provider to our clients through commitment to service excellence, creating sustainable value for our stakeholders.

CONTENTS

CHAIRMAN'S STATEMENT

Dear Fellow Stakeholders,

FY2015 was another difficult year for IFS Capital due to the worsening economic conditions of the countries where we operate. We saw a steep decline in commodity prices, the weakening of the Real Estate/Construction and Oil & Gas/Marine industry segments and the slowdown in the China economy. As a consequence, our businesses in Singapore, Indonesia and ECICS were inevitably affected adversely.

The challenging conditions resulted in the higher level of provisions, which culminated in losses for the third successive year. The Group suffered a net loss of S$13.9 million in FY2015 while its operating income declined 9% from the previous financial year due mainly to lower non-interest income and higher commission paid.

We have taken significant steps to reverse the situation.

Firstly, we made changes to our Leadership team. Led by our new Group CEO, Mr Eugene Tan, we believe that this team will be able to guide us through this turbulent period. A new strategic vision has already been implemented to bring the Group forward. With the Group's business direction restructured, we are re-focusing on our core business which is Factoring and Lending while reducing our non-core businesses like the Structured Finance and Real Estate.

CHAIRMAN'S STATEMENT

Secondly, we have also reorganized our Group's Risk Management. Ms Chionh Yi Chian, our Group's CRO, has been tasked to strengthen our Risk Management controls and processes. Corporate lending strategies have been re-defined and revised credit assessment and approval framework has been implemented in the Group.

On a brighter note, our Thailand operations continued to be profitable despite the slowing Thai economy. Our Malaysian operations have turned around from a troubled 2014 to an almost break-even position. On a Group basis, we were in fact profitable at an operating level but were dragged down by the high level of provisions for non-performing loans (NPLs) and bond calls. It is however important to highlight that we have prudently provided for 88% of all known NPLs.

For 2016, we are focused on recovery of our NPLs. At the same time, we intend to grow our business using Factoring as the main product offering to take us forward. We believe that we have a good value proposition to SMEs to help them with their cashflow, especially during this difficult economic downturn.

Last but not least, on behalf of the Board of Directors, I would like to express my gratitude to our management, staff, clients and business associates who have stayed with us and have faith in us during these difficult times.

Thank you.

LIM HUA MIN
Chairman
4 March 2016

GROUP FINANCIAL HIGHLIGHTS

S$'000	2015	2014	2013	2012	2011
INCOME STATEMENT					
Gross operating income	**38,184**	40,179	44,231	43,069	35,971
(Loss)/profit					
– before tax	**(12,627)**	(7,607)	(4,191)	12,381	8,831
– after tax	**(13,878)**	(6,327)	(3,388)	9,145	7,703
– (loss)/profit after tax attributable to owners of the Company	**(15,151)**	(7,694)	(4,840)	7,940	6,956
BALANCE SHEET					
Number of shares ('000)	**150,388**	150,388	150,388	150,388	150,388
Issued share capital	**88,032**	88,032	88,032	88,032	88,032
Shareholders' funds	**102,016**	120,581	127,556	139,749	134,718
Non-controlling interests ("NCI")	**11,468**	11,221	10,078	9,564	9,114
Total assets	**393,478**	404,265	399,700	432,601	393,520
Total liabilities	**279,994**	272,463	262,066	283,288	249,688
DIVIDEND INFORMATION					
Dividends proposed/paid for the year (net of tax)	**–**	2,256	3,008	3,008	2,632
Dividend cover (number of times)*	**–**	3.61	0.90	0.95	1.43
Gross dividends declared per share*					
– Ordinary (cents)	**–**	1.50	2.00	2.00	1.75
Dividend yield (%)	**–**	3.7	4.9	4.0	4.3
FINANCIAL RATIOS					
(Loss)/earnings per share after tax (cents)	**(10.07)**	(5.12)	(3.22)	5.28	4.63
Net tangible assets per share ($)	**0.67**	0.80	0.85	0.92	0.88
Return on average shareholders' funds (%)	**(13.6)**	(6.2)	(3.6)	5.8	5.2
Cost-income ratio (%)	**66.5**	60.1	51.0	55.3	59.1

*Notes: * Gross dividends per share and times covered are stated based on the dividend proposed/paid relating to the respective financial years and expressed over the Company's profit. Gross dividend per share for FY2014 relates to the proposed one-tier tax exempt first and final dividend of 1.50 cents.*

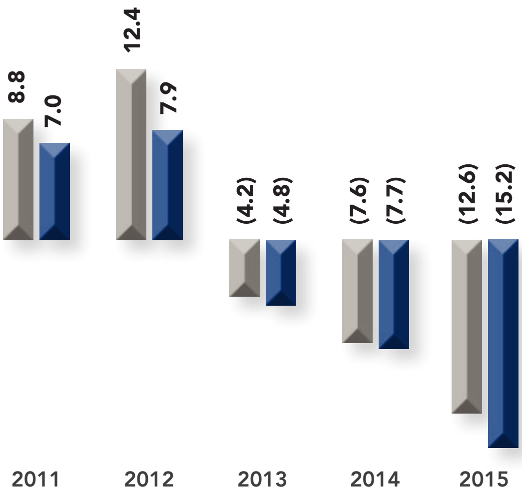
FY2012 and FY2011 numbers have been restated due to change in accounting policy on premium recognition of the Group's insurance subsidiary.

PERFORMANCE AT A GLANCE

PROFIT & LOSS (S$ million)

(Loss)/profit before tax

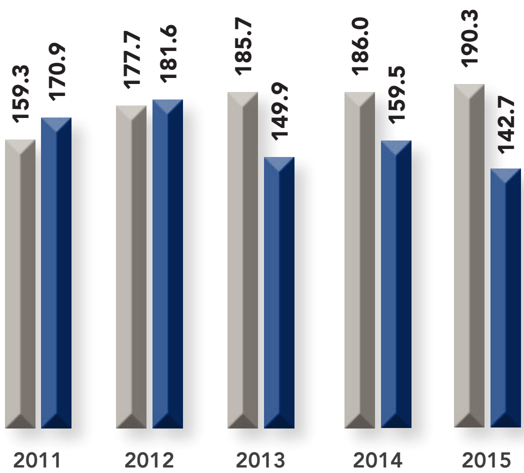
Attributable (loss)/profit after tax and NCI



FACTORING RECEIVABLES AND LOANS & ADVANCES (S$ million)

Factoring receivables (gross)

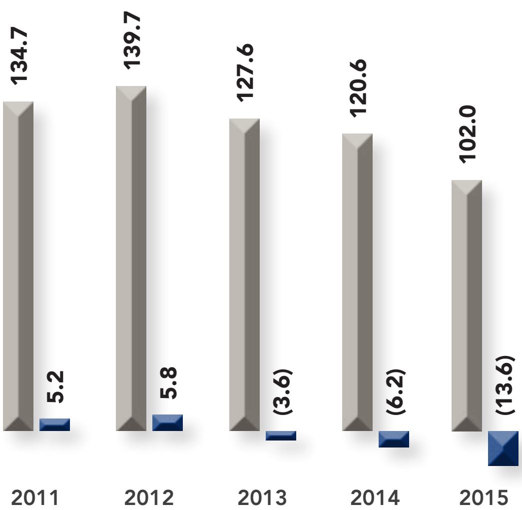
Loans & advances (gross)



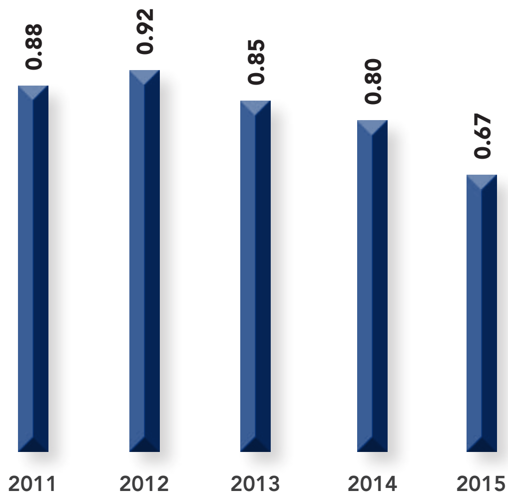
SHAREHOLDERS' FUNDS (S$ million) RETURN ON SHAREHOLDERS' FUNDS (%)

Shareholders' funds

Return on average shareholders' funds



NET TANGIBLE ASSETS PER SHARE (S$)



BOARD OF DIRECTORS

LIM HUA MIN
Chairman & Non-Executive Director

Mr Lim Hua Min is the Chairman of IFS Capital Limited and its subsidiary, ECICS Limited. He was appointed Chairman of IFS Capital Limited on 20 May 2003.

Mr Lim is also the Executive Chairman of the PhillipCapital Group of Companies. He began his career holding senior positions in the Stock Exchange of Singapore ("SES") and the Securities Research Institute. He has served on a number of committees and sub-committees of SES. In 1997, he was appointed Chairman of SES Review Committee, which was responsible for devising a conceptual framework to make Singapore's capital markets more globalised, competitive and robust. For this service, he was awarded the Public Service Medal in 1999 by the Singapore Government. In 2012, he was also awarded "IBF Distinguished Fellow", the highest certification mark bestowed by The Institute of Banking and Finance on industry captains who are the epitome of professional stature, integrity and achievement. Mr Lim had also served as a Board Member in the Inland Revenue Authority of Singapore from September 2004 to August 2010.

Mr Lim holds a Bachelor of Science Degree (Honours) in Chemical Engineering from the University of Surrey and obtained a Master's Degree in Operations Research and Management Studies from Imperial College, London University.

GABRIEL TEO CHEN THYE
Lead Independent Director Non-Executive Director

Mr Gabriel Teo was appointed as a Director of IFS Capital Limited on 2 November 1999. On 23 January 2013, he was also appointed as a Lead Independent Director.

Mr Teo spent more than 20 years in the banking industry in the region, holding senior appointments with global institutions. He was Head of Corporate Banking at Citibank, Chief Executive Officer of Chase Manhattan Bank and Regional Managing Director of Bankers Trust. He was previously managing his own consultancy firm, Gabriel Teo & Associates. Currently, he also serves on the boards of several other corporates as well as non-profit organisations.

Mr Teo holds a Bachelor of Business Administration degree from the National University of Singapore and Masters in Business Administration in Finance from Cranfield School of Management. He had also attended the Executive Program in Management at Columbia Business School.

MANU BHASKARAN
Independent Non-Executive Director

Mr Manu Bhaskaran was appointed as a Director of IFS Capital Limited on 26 February 2004. Mr Bhaskaran also served on the Board of IFS Capital Limited from 26 June 2002 to 20 May 2003.

Mr Bhaskaran is presently Partner and Head Economic Research at the Centennial Group, a Washington DC-based strategic advisory group. Mr Bhaskaran also serves on the boards of the Centennial Group, Aspen Networks Inc, Luminor Capital Pte Ltd, MinorCap Pte Ltd, Shining Star Solutions and Services Private Limited, Jebsen and Jessen (SEA) Pte Ltd and CIMB Investment Bank Berhad. In addition, he is a member of the Regional Advisory Board for Asia of the International Monetary Fund while also serving as Vice-President of the Economics Society of Singapore and Council Member of the Singapore Institute of International Affairs. Mr Bhaskaran is also an adjunct senior research fellow at the Institute of Policy Studies. Mr Bhaskaran was formerly Managing Director and Chief Economist of SG Securities Asia Ltd.

Mr Bhaskaran holds a Bachelor of Arts (Honours) from Magdalene College, Cambridge University and a Masters in Public Administration from John F Kennedy School of Government, Harvard University. He is also a CFA charterholder.

BOARD OF DIRECTORS

KWAH THIAM HOCK
Independent Non-Executive Director

Mr Kwah Thiam Hock is currently a Director of IFS Capital Limited and its subsidiary, ECICS Limited. He was first appointed as an Executive Director of IFS Capital Limited on 4 May 1987. On 18 December 2006, Mr Kwah retired as Executive Director but continued to serve as a Non-Executive Director of IFS Capital Limited. On 23 January 2013, Mr Kwah was redesignated as an Independent Director of IFS Capital Limited. Previously, Mr Kwah also served as Chief Executive Officer/Principal Officer of ECICS Limited from 1 June 2003 to 18 December 2006 and as Advisor and Principal Officer of ECICS Limited from 5 July 2007 to 14 September 2009.

Mr Kwah is presently an Independent Director of Wilmar International Limited, Select Group Limited, Excelpoint Technology Limited and Teho International Inc Ltd.

Mr Kwah holds a Bachelor of Accountancy from University of Singapore. Mr Kwah is also a Fellow Member of the Australian Society of Accountants, the Institute of Singapore Chartered Accountants as well as the Association of Chartered Certified Accountants (UK).

LAW SONG KENG
Independent Non-Executive Director

Mr Law Song Keng is currently a Director of IFS Capital Limited and its subsidiary, ECICS Limited. He was appointed as a Director of IFS Capital Limited on 31 January 2011.

Mr Law is presently the Chairman of Asia Capital Reinsurance Group Pte Ltd, Frasers Hospitality Asset Management Pte Ltd, Frasers Hospitality Trust Management Pte Ltd, and Concord Insurance Company Limited. He also serves on the board of Great Eastern Holdings Ltd. Mr Law was previously Managing Director and Chief Executive Officer of Overseas Assurance Corporation, a life and general insurer. A Public Service Commission Scholar, Mr Law had also served as Deputy Managing Director (Administration & Insurance) and as Insurance Commissioner at the Monetary Authority of Singapore, President of the Life Insurance Association, President of the General Insurance Association, President of the Singapore Actuarial Society and Chairman of the Singapore Insurance Institute. In addition, Mr Law had also served as a Board Member in the Inland Revenue Authority of Singapore, Singapore Deposit Insurance Corporation, Central Provident Fund Board and Manulife (Singapore) Pte Ltd.

Mr Law holds a Master of Science (Actuarial Science) from Northeastern University and a Bachelor of Science (Maths, First Class Honours) from the University of Singapore. He is also a Fellow Member of the Society of Actuaries, USA.

TAN HAI LENG EUGENE
Executive Director & Group Chief Executive Officer

Mr Tan Hai Leng Eugene was appointed Group Chief Executive Officer and Director of IFS Capital Limited on 12 October 2015. Mr Tan is responsible for the overall management of the Group. He is also a Director of a number of subsidiaries of the Group.

Mr Tan has 32 years of experience in the banking industry. Prior to joining IFS Capital Limited, he held senior positions in various banks with banking experience that extended across the ASEAN region. From 1993 to 2013, Mr Tan was with Citibank Singapore, where he helped to start the commercial banking business in Singapore and was appointed in 2007 as the Managing Director for Commercial Banking to take charge of commercial banking businesses in ASEAN. Mr Tan was also accredited the status of Senior Credit Officer (SCO) in Citibank Singapore, in recognition of competency in Risk Management.

Mr Tan holds a Bachelor of Arts and Social Sciences (majored in Political Science and History) Degree from the National University of Singapore.

MANAGEMENT TEAM

TAN HAI LENG EUGENE
Group Chief Executive Officer

DANNY HENG HOCK KIONG
Group Chief Financial Officer
Finance, Corporate Development

Mr Heng joined IFS Capital Limited as the Group Chief Financial Officer in March 2014 and is responsible for finance and corporate development functions. He was appointed a Director of IFS Capital (Malaysia) Sdn. Bhd. in April 2014, IFS Capital (Thailand) Public Co Ltd in February 2015, IFS Capital Intellectual Property Pte Ltd and IFS Capital Assets Pte Ltd in December 2015 and a member of the Board of Commissioner of PT. IFS Capital Indonesia in January 2015. Prior to joining the Group, Mr Heng had over 20 years of experience as CFO and Finance Director in several listed companies.

Mr Heng graduated with a Bachelor of Business Administration (Finance and Investment Management) from the City University of New York and a Master of Science (Accounting and Information Management) from the Pace University, New York. He is a fellow member and Chartered Accountant with the Institute of Singapore Chartered Accountants and a Certified Public Accountant with the American Institute of Certified Public Accountants.

CHIONH YI CHIAN
Group Chief Risk Officer
Risk Management, Legal, Compliance & Secretariat

Ms Chionh joined IFS Capital Limited in 1995. Prior to joining the Group, she practiced law in Singapore. She was appointed as the Group Chief Risk Officer in May 2009 and is responsible for risk management, legal, compliance and secretariat functions. She was appointed a Director of ECICS Limited in February 2009.

Ms Chionh holds a Master's degree in Law as well as a Bachelor of Laws (Honours) from the National University of Singapore. In addition, she holds a Graduate Diploma in Compliance awarded by the International Compliance Association and is also a CFA charterholder.

RANDY SIM CHENG LEONG
Chief Executive Officer and Country Head
IFS Capital Limited

Mr Sim joined IFS Capital Limited in February 2016 as the Chief Executive Officer and Country Head for Singapore Office. He is responsible for the overall management of IFS Capital Limited's business in Singapore. Mr Sim began his career with the Singapore Economic Development Board and was responsible for promoting investments into Singapore and industry strategy development. Prior to joining IFS Capital Limited, he was with Citibank N.A. Singapore for 8 years.

Mr Sim graduated from Singapore's Nanyang Technological University with a Bachelor of Engineering (Honours) degree in Electrical and Electronics Engineering.

TEOH CHUN MOOI
Head of Internal Audit

Ms Teoh joined IFS Capital Limited in 1989. She was promoted to General Manager in August 2005 overseeing the entire operations for the Singapore Business. She was also appointed a Director of IFS Capital (Malaysia) Sdn. Bhd. in July 2009. Ms Teoh holds a Bachelor of Commerce (Honours) from the University of Windsor (Canada).

With effect from November 2015, she has since relinquished her role in Operations and has now taken on a new role as Head of Internal Audit for the Group.

TEO CHIN POH TERENCE
Chief Executive Officer
ECICS Limited

Mr Teo joined ECICS Limited in February 2014 as General Manager in charge of business development. He was promoted to Chief Executive Officer in March 2015.

Mr Teo has more than 25 years of experience in the insurance and reinsurance industry. Prior to joining the Group, he was the Principal Officer of Lonpac Insurance Berhad leading the Singapore Branch. Mr Teo's past experience include sitting on the Boards of Asia Marine Services – Lloyds Syndicate 1965 from 2006 to 2007, Agents Registration Board from 2008 to 2012 and Chairman of the Motor Insurers' Bureau of Singapore from 2009 to 2012.

Mr Teo holds a Bachelor of Arts in Economics from the York University, Canada.

MANAGEMENT TEAM

TAN LEY YEN

Director and Chief Executive Officer
IFS Capital (Thailand) Public Company Limited

Mr Tan was appointed as the Chief Executive Officer in February 2007 of IFS Capital (Thailand) Public Company Limited. He was seconded to the Thailand's subsidiary as General Manager in May 1991 and was appointed Executive Director in October 2000. He has been with the Group since August 1985 and was seconded to PB International Factors Sdn. Bhd. as its General Manager in September 1990. Prior to joining the Group, he was with a local bank for several years.

Mr Tan holds a MBA in International Management from the University of London and a Bachelor of Science (Honours) in Management Sciences from the University of Manchester Institute of Science and Technology.

AB. RAZAK KHALIL

Country Head
IFS Capital (Malaysia) Sdn. Bhd.

Mr Ab. Razak was appointed as the General Manager and Country Head of IFS Capital (Malaysia) Sdn. Bhd. in January 2015. He joined the Malaysia's subsidiary in June 2010 as the Head of Marketing and was responsible to grow the business in Malaysia. Prior to joining the Group, he worked with established organizations including Pembangunan Leasing Corporation (Subsidiary of Development Bank of Malaysia), Philips Malaysia and ISS Facility Services in various capacities which include Marketing, Credit & Legal, Logistics & Planning, Corporate Purchasing and Facilities Management.

He holds a Bachelor of Science in Applied Science from Sunderland University, United Kingdom.

GIOVANNI FLORENTINUS E.J

President Director and Country Head
PT. IFS Capital (Indonesia)

Mr Giovanni joined in January 2016. He was recently appointed as the President Director and Country Head of PT. IFS Capital (Indonesia) in January 2016. Prior to joining the Group, he was the Assets Based Finance Risk Head of Bank Danamon Indonesia for 11 years. He was then responsible for all risk matters related to the Asset Based Financing. Overall, Mr Giovanni has more than 25 years of working experience in the leasing and banking industry. He has held senior positions in his past employments including Gunung Sewu Kencana, Garishindo Buana Finance Indonesia and Brahma Saka Cipta.

Mr Giovanni holds a Bachelor degree from the University of Indonesia majoring in Accountancy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Hua Min
Chairman
Gabriel Teo Chen Thye
Lead Independent Director
Manu Bhaskaran
Law Song Keng
Kwah Thiam Hock
Tan Hai Leng Eugene
Executive Director and Group Chief Executive Officer

AUDIT COMMITTEE

Gabriel Teo Chen Thye
Chairman
Manu Bhaskaran
Law Song Keng

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Manu Bhaskaran
Chairman
Lim Hua Min
Gabriel Teo Chen Thye

GROUP MANAGEMENT COMMITTEE

Tan Hai Leng Eugene
Chairman
Danny Heng Hock Kiong
Chionh Yi Chian
Randy Sim Cheng Leong
Teoh Chun Mooi
Terence Teo Chin Poh
Tan Ley Yen
AB. Razak Khalil
Giovanni Florentinus E.J

REGISTERED OFFICE

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SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

COMPANY SECRETARY

Chionh Yi Chian

ASSISTANT COMPANY SECRETARY

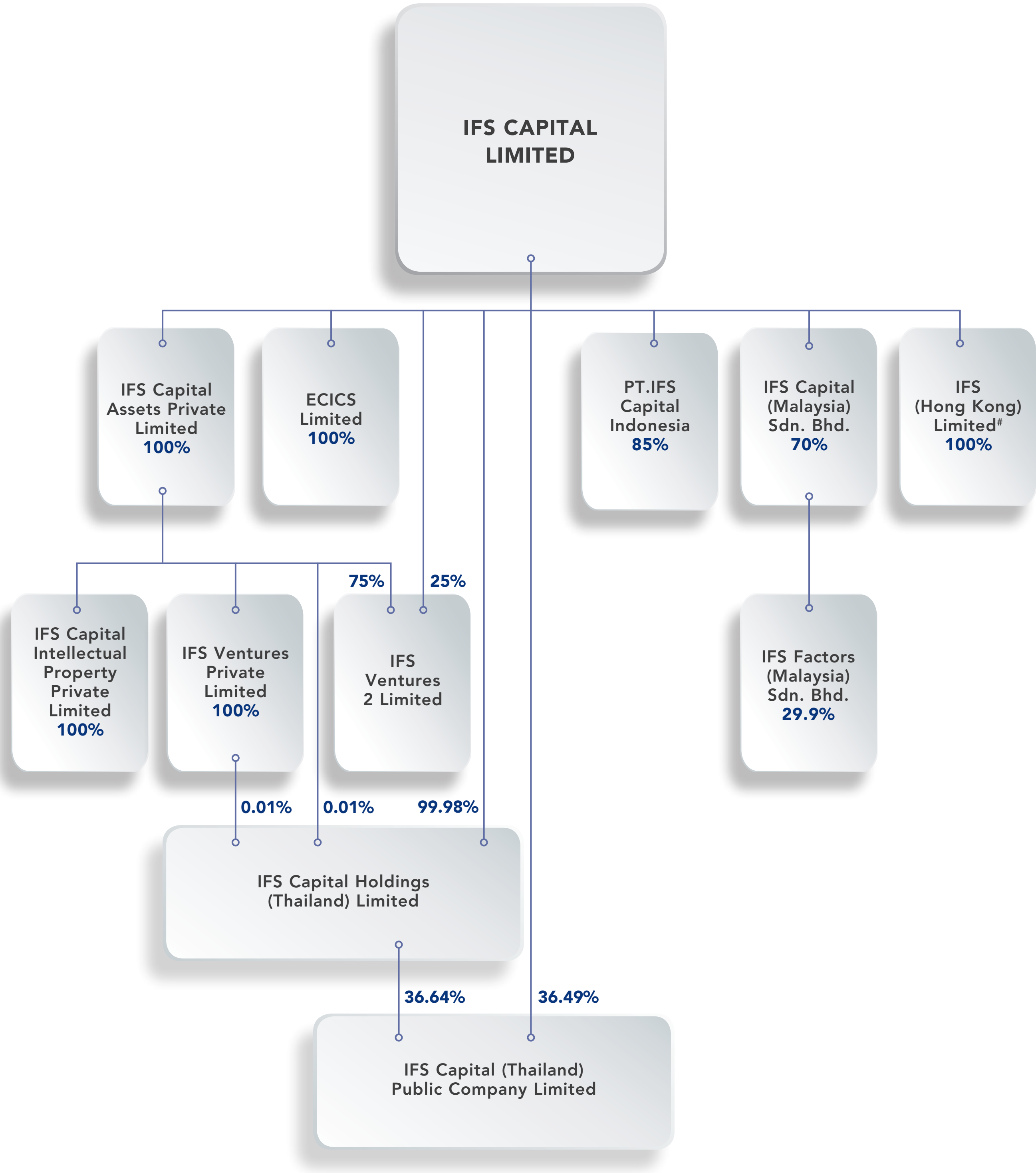
Angeline Ng Ching Loo

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Partner-In-Charge
Steven Goh
(since FY2015)

CORPORATE STRUCTURE OF IFS GROUP



Dormant/Inactive

CORPORATE SOCIAL RESPONSIBILITY

For IFS Capital as a Group, our commitment to providing value-added financial services to our clients is grounded on a corporate ethos to provide a meaningful and positive difference in the lives of people we interact with. As such, we have annual corporate social responsibility ('CSR') activities that contribute to the beneficiaries of charitable organisations, financially-needy students of schools, as well as other deserving projects and social initiatives.

The importance of such CSR activities in the development of our employees is also invaluable. Through active volunteerism and social interaction; leadership skills can be built and a sense of service excellence instilled in our employees.

In FY 2015, IFS Capital in Singapore sponsored and the staff donated funds and assisted in the Sports Day event for Fei Yue Community Services Early Intervention Programme for Infants and Children (EIPIC) at Jurong East. This programme provides social, educational and rehabilitative services for children from birth to 6 years old who have been diagnosed to be at risk of having a handicapping condition or special need that will affect his or her development. We also invited children and staff from Home Sweet Home to join staff and family members at the Singapore Zoo for Family Day in December 2015. Home Sweet Home is part of the Methodist Children & Youth Centre (MCYC) and they cater to children between 9-12 years old who are undergoing rehabilitation from physical abuse and trauma.

IFS Capital in Singapore also participated in the Corporate Share Program under the umbrella of Community Chest ("Chest") where the donations will be channelled to the various social service and charity programs supported by Chest.

Beyond Singapore, our Thailand subsidiary supported Plookchit School (a public school) through scholarships and gifts to their students on National Children's Day; donated funds to help victims in the earthquake of Nepal through the Thai Red Cross Society; supported the Coral Reef Restoration Project by staff who planted coral reef at Nang-Rum Beach in Chonburi Province. Our Thailand subsidiary also donated to the Royal Kathin on behalf of His Majesty the King at Wat Bueng Pra Lan Chai, Roiet Province organized by Bangkok Bank; and also provided teaching equipment and supplies to Ban Muang Mai School in Nan Province, as well as presented scholarships for the poor students of the school. In countries like Malaysia and Indonesia, we will seek suitable opportunities to serve and enhance the communities where we operate in.

Our journey in CSR is on-going and these efforts towards alleviating social needs will help to strengthen our community relationships and provide valuable contributions to society; moving IFS Capital closer to the hearts and minds of the people we serve.

CORPORATE GOVERNANCE REPORT

The Board of Directors is committed to maintaining high standards of corporate governance in the Company in order to protect the interests of its shareholders. This report sets out the corporate governance practices of the Company during the financial year ended 31 December 2015, with specific reference to the principles of the Singapore Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS
Principle 1

Board Responsibility

The Board oversees the businesses and affairs of the Group, sets the Group's overall strategic direction and long-term objectives, reviews the Group's operational and financial performance, reviews the performance of management, and provides oversight to ensure a proper framework of internal control and risk management is in place.

Delegation by the Board

The Board has set up two Board committees, namely the Audit Committee and the Executive Resource and Compensation Committee, to assist the Board in the execution of its responsibilities. The two Board committees are constituted with clear terms of reference, setting out specific roles and responsibilities. The details on the composition and functions of the Audit Committee and the Executive Resource and Compensation Committee can be found in the subsequent sections in this Report.

Management is responsible for the implementation of the Group's strategies, systems of internal control and risk management as well as the day-to-day operations. The Group Chief Executive Officer is assisted by a Management Committee chaired by the Group Chief Executive Officer and comprising senior management staff. In the absence of the Group Chief Executive Officer, the Management Committee is authorised to make decisions on his behalf.

Board Meetings and Attendance

The Board holds five scheduled meetings in a year. In addition, special meetings may be convened as and when warranted to deliberate on urgent substantive matters.

During the financial year ended 31 December 2015, the Board held six meetings.

CORPORATE GOVERNANCE REPORT

The attendance of the Board members at the Board and Board committee meetings during the financial year ended 31 December 2015 is set out as follows:

Attendance at Board and Board Committee Meetings

	Board		Audit Committee		ERCC	
Name of Director	No. of Meetings[3]	Attendance	No. of Meetings[3]	Attendance	No. of Meetings[3]	Attendance
Lim Hua Min	6	6	NA	NA	1	1
Gabriel Teo Chen Thye	6	6	4	4	1	1
Law Song Keng	6	6	4	4	NA	NA
Manu Bhaskaran	6	6	4	4	1	1
Kwah Thiam Hock	6	6	NA	NA	NA	NA
Tan Hai Leng Eugene[1]	1	1	NA	NA	NA	NA
Lee Soon Kie[2]	5	5	NA	NA	NA	NA

ERCC Executive Resource and Compensation Committee
NA Not applicable
(1) Mr Tan Hai Leng Eugene was appointed as a director of the Company with effect from 12 October 2015
(2) Mr Lee Soon Kie resigned as a director of the Company with effect from 12 October 2015
(3) The number of meetings held which each director was in office

Board Approval

The Board has a formal schedule of matters reserved to it for its decision and these include:

- Group strategic direction and long-term plans;
- Announcements of financial results;
- Statutory accounts;
- Declaration of dividends;
- Budgets and financial planning;
- Establishment of joint ventures;
- Investments or increase in investments in businesses, projects, subsidiaries and associated companies;
- Acquisition or disposal of significant assets, businesses, subsidiaries or associated companies;
- Capital expenditure or any expenditure of significant amount;
- Borrowings of the Company beyond a certain limit in amount as set by the Board; and
- All major transactions or events.

Board Induction and Training

The Company conducts a comprehensive induction programme to familiarise new directors with the Group's business and industry-specific knowledge. The induction programme gives new directors an understanding of the Group's operations to enable them to assimilate into their new roles. The new directors will also receive a brief on directors' duties and responsibilities and key governance practices.

Development and training of directors is an ongoing process so that they can perform their duties appropriately. Such development and training programme is reviewed by the Executive Resource and Compensation Committee. The directors are provided with continuing briefings or updates in areas such as directors' duties and responsibilities, corporate governance, relevant changes in laws and regulations, changes in financial reporting standards and issues which have a direct impact on financial statements as well as industry trends and developments relevant to the Group's business operations. The Company Secretary regularly circulates availability of relevant training courses which the directors may attend at the Company's expense.

CORPORATE GOVERNANCE REPORT

During the financial year ended 31 December 2015, the Board members were provided with updates to keep them abreast of industry trends, developments in accounting standards and changes in relevant laws and regulations and the code of corporate governance through presentations by Company Secretary, management and external auditors during Board or Board committee meetings.

BOARD COMPOSITION AND GUIDANCE

Principle 2

Board Independence

As at 31 December 2015, the Board comprises 6 directors of whom 4 are independent directors. The nature of the directors' appointments on the Board is set out as follows:

Directors	Board Membership
Lim Hua Min	Non-Executive, Non-Independent, Chairman
Gabriel Teo Chen Thye	Lead Independent Director
Law Song Keng	Independent
Manu Bhaskaran	Independent
Kwah Thiam Hock	Independent
Tan Hai Leng Eugene	Executive, Group Chief Executive Officer

During the financial year ended 31 December 2015, there were some changes to the Board members. Mr Tan Hai Leng Eugene was appointed as a director of the Company on 12 October 2015 and Mr Lee Soon Kie resigned as a director of the Company on 12 October 2015.

Annual Review of Director's Independence

The Executive Resource and Compensation Committee conducts a review and determines annually the independence of each director. The Board, taking into account the views of the Executive Resource and Compensation Committee, considers Mr Gabriel Teo Chen Thye, Mr Manu Bhaskaran, Mr Law Song Keng and Mr Kwah Thiam Hock to be independent directors.

In relation to Mr Gabriel Teo Chen Thye, Mr Manu Bhaskaran and Mr Kwah Thiam Hock who have served on the Board for more than nine years from the date of their respective first appointment, the Executive Resource and Compensation Committee and the Board have subject their independence status to a particularly rigorous review in the light of Guideline 2.4 of the Code. The Board is of the view that there is no automatic correlation between a director's tenure on the board and his independence and so a person's independence should not be determined arbitrarily on the basis of the number of years' of service on the board. In the review of the independence of Mr Gabriel Teo Chen Thye, Mr Manu Bhaskaran and Mr Kwah Thiam Hock, the Executive Resource and Compensation Committee took into account the directors' inputs, views and judgment calls made during their deliberations and is satisfied with their independence in character and judgement and that they would be able to continue to present objective and independent views. The Board, taking into account the views of the Executive Resource and Compensation Committee, is satisfied that Mr Gabriel Teo Chen Thye, Mr Manu Bhaskaran and Mr Kwah Thiam Hock continue to demonstrate their ability to exercise strong independent judgment in their deliberations and act in the best interests of the Group, and that their length of service on the Board has not affected their independence. Accordingly, the Board determines these directors to be independent, notwithstanding that they have served more than nine years on the Board.

CORPORATE GOVERNANCE REPORT

Board Composition and Size

The Board has examined its size and is satisfied that a size of 6 members is currently appropriate for the Company, taking into account the nature and scope of the Group's businesses. The Executive Resource and Compensation Committee assesses the Board's composition each year and is satisfied that the Board currently has the appropriate mix of expertise and experience for the Board to carry out its duties effectively.

Details of the directors' academic and professional qualifications, appointment dates on the Board and other appointments are set out on pages 28 to 32.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

Separation of the Role of Chairman and the Group Chief Executive Officer

The Chairman and the Group Chief Executive Officer of the Company are separate persons and are not related to each other.

The Chairman is a Non-Executive Director while the Group Chief Executive Officer is an Executive Director. The roles of the Chairman and the Group Chief Executive Officer are kept separate and the division of responsibilities between them are set out in writing.

The Chairman is primarily responsible for the workings of the Board. The Chairman's responsibilities include approving the schedules of meetings and meeting agenda (with the assistance of the Company Secretary). As Chairman of the Board, he also leads the Board in its discussions and deliberation, facilitates effective contribution by Non-Executive Directors and exercises control over the timeliness of information flow between the Board and management.

The Group Chief Executive Officer manages the business of the Group, implements the Board's decisions and is responsible for the day-to-day operations of the Group.

Role of the Lead Independent Director

The Lead Independent Director is appointed by the Board and the role of the Lead Independent Director includes meeting with the independent directors periodically without the presence of other directors and where necessary to provide feedback to the Chairman after such meetings. He will also be available to shareholders where they have concerns for matters which contact through the normal channels of the Chairman, the Group Chief Executive Officer or Chief Financial Officer has failed to resolve, or where such contact is inappropriate.

BOARD MEMBERSHIP

Principle 4

The Board has established the Executive Resource and Compensation Committee that performs both the roles of nominating committee and remuneration committee.

Executive Resource and Compensation Committee

As at 31 December 2015, the Executive Resource and Compensation Committee comprises 3 members, the majority of whom are independent:

Manu Bhaskaran	Chairman, Independent
Lim Hua Min	Member, Non-Independent
Gabriel Teo Chen Thye	Member, Independent

The Executive Resource and Compensation Committee functions under the terms of reference as approved by the Board. Under the terms of reference, the Executive Resource and Compensation Committee (in respect of its function as a nominating committee):

(i) assists the Board to assess the effectiveness of the Board as a whole as well as the contribution of the directors to the effectiveness of the Board;

(ii) establishes a formal process for the Group on the appointment of directors, re-nomination and re-election of directors;

(iii) considers and determines the independence of the directors, at least annually;

(iv) recommends to the Board on all Board appointments and re-appointments and approves appointments of key management personnel; and

(v) reviews the training and professional development programme for directors.

Directors' Time Commitments

The Executive Resource and Compensation Committee assesses if a director is able to and has been adequately carrying out his duties as a director of the Company, taking into account the director's number of listed company board representations and other principal commitments.

To address the time commitments of directors who sit on multiple boards, the meeting dates of the Board and Board committees are scheduled in advance at the beginning of each calendar year.

All directors are aware of his time commitment obligations. For the financial year ended 31 December 2015, each director signed a confirmation that, having regard to all his commitments, he has devoted sufficient time and attention to the affairs of the Company. The Executive Resource and Compensation Committee believes that putting a numerical limit on the number of listed board directorships a director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

The Executive Resource and Compensation Committee is of the view that the current qualitative assessment coupled with the annual confirmation of time commitment by directors are sufficient. Accordingly, the Board has not set a numerical limit on the maximum number of listed board representations a director can hold.

The Executive Resource and Compensation Committee is satisfied that all directors have discharged their duties adequately for the financial year ended 31 December 2015.

CORPORATE GOVERNANCE REPORT

Criteria and Process for Nomination and Selection of New Directors

The Company has put in place a formal process for the selection of new directors to increase transparency of the nominating process in identifying and evaluating nominees for directors.

The Executive Resource and Compensation Committee leads the process as follows:

(i) the Committee evaluates the desired balance and diversity of skills, knowledge, gender and experience for the Board and, in the light of such evaluation and in consultation with management, determines the role and the desirable competencies and attributes for a particular appointment;

(ii) various sources may be used to look for potential candidates;

(iii) the Committee meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and

(iv) the Committee makes recommendations to the Board for approval.

In assessing a potential candidate, the Executive Resource and Compensation Committee would take into account factors such as the candidate's integrity and reputation, attributes, capabilities, qualifications and past experience.

All proposed appointment of potential new directors is reviewed by the Executive Resource and Compensation Committee before the recommendation is put up to the Board for its approval.

Rotation and Re-election of Directors/Re-appointment of Directors

The directors submit themselves for re-nomination and re-election at regular intervals in accordance with the Company's Constitution which requires one-third of the directors for the time being to retire from office by rotation at each Annual General Meeting (or, if the number is not a multiple of three, the number nearest to but not less than one-third).

In accordance with the Company's Constitution, all new appointees to the Board, if not elected by the shareholders at the Annual General Meeting, will only hold office until the next Annual General Meeting after the date of their appointment whereupon they will seek re-election at the Annual General Meeting.

For the forthcoming Annual General Meeting, Mr Lim Hua Min and Mr Kwah Thiam Hock are due to retire from office by rotation under the Company's Constitution and being eligible, are offering themselves for re-election. Mr Tan Hai Leng Eugene who was appointed as a director on 12 October 2015 is due to retire from office under the Company's Constitution and being eligible, is offering himself for re-election. Mr Law Song Keng who is retiring under the resolution passed at the last Annual General Meeting of the Company held on 22 April 2015 pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (which was then in force), would also be seeking re-appointment. The detailed information on Mr Lim Hua Min, Mr Kwah Thiam Hock, Mr Tan Hai Leng Eugene and Mr Law Song Keng can be found in the directors' profile under "Board of Directors" on pages 6 to 7 and in the details of directors on pages 28 to 32.

BOARD PERFORMANCE
Principle 5

Board Evaluation

The Board has implemented a process carried out by the Executive Resource and Compensation Committee for assessing the effectiveness of the Board and its Board committees. In the beginning of each year, the Executive Resource and Compensation Committee conducts a self-assessment process that involves the completion of evaluation questionnaires on issues which include Board and Board committee performance, effectiveness, processes and composition. The collated results are reviewed by the Executive Resource and Compensation Committee before they are submitted to the Board for discussion and determination of any areas for further improvements. Following the review, the Board is of the view that the Board and its Board committees are operating effectively.

In terms of Board performance criteria, the Board feels that Board performance should be measured based on its long-term value creation for shareholders and other stakeholders and is ultimately reflected in the long-term performance of the Group. The financial indicators, as set out in the Code as guides for the evaluation of the performance of the Board, are more of a measurement of management's performance and less applicable to the directors. Although the Board uses some indicators such as average return on equity of comparable companies in the industry as a guide, a more important consideration is that the Board, through the Executive Resource and Compensation Committee, has ensured from the outset that it comprises directors with the requisite blend of background, experience and knowledge for the Group's businesses and that the directors bring to the Board their respective perspectives and views to enable balanced and well-considered decisions to be made.

ACCESS TO INFORMATION
Principle 6

Management provides all the members of the Board with a progress report on the performance of the Group (including group consolidated accounts) on a monthly basis.

Prior to each Board meeting, the Board members are provided with board papers in advance of meetings so that sufficient time is given to the Board members to prepare. The board papers will set out information which includes background or explanatory information relating to the matters to be brought before the Board. In respect of budgets, any material variances between projections and actual results are explained.

The Chairman, with the assistance of the Company Secretary, exercises control over the quality and timeliness of information flow between the Board and management.

The directors have direct access to the Company's senior management and the Company Secretary. The Company Secretary attends all the Board meetings. The directors, whether as a group or individually, are also entitled to seek independent professional advice with costs to be borne by the Company on any issue(s) which may arise in the course of performing their duties.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES
Principle 7

The Executive Resource and Compensation Committee also performs the role of a remuneration committee. The Committee comprises entirely of Non-Executive Directors, the majority of whom, including the Chairman, are independent.

CORPORATE GOVERNANCE REPORT

Pursuant to the terms of reference, the Executive Resource and Compensation Committee reviews and approves the remuneration packages for each director and the key management personnel, and also decides on policies relating to remuneration and incentive programs (including staff benefits and bonuses) for the staff of the Group. In reviewing the remuneration framework, the Executive Resource and Compensation Committee takes into consideration industry practices and benchmarks to ensure that its remuneration and compensation package are competitive. The Committee, if it requires, may seek expert advice on executive compensation matters from professional firms.

The Executive Resource and Compensation Committee also reviews the terms of compensation and employment for executive directors and key management personnel at the time of their employment including considering the Company's obligations in the event of termination of services. The service contracts of the Group Chief Executive Officer/Executive Director and key management personnel do not contain onerous removal clauses.

LEVEL AND MIX OF REMUNERATION

Principle 8

Remuneration Policy

The Group's remuneration policy is directed towards the attraction, retention and motivation of talent to achieve the Group's business objectives. The remuneration framework aims to foster a strong performance-oriented culture within an appropriate overall risk management framework. The Group subscribes to linking executive remuneration to corporate and individual performance, hence the remuneration framework ensures that rewards and incentives relate directly to the performance of individuals, the operations and functions in which they work for which they are responsible, and the overall performance of the Group.

Remuneration of Executive Director and Key Management Personnel

The remuneration package of the Group Chief Executive Officer/Executive Director and key management personnel comprises of a fixed component which is benchmarked against the financial services industry and a variable component which is linked to the performance of the Group as well as the individual performance.

The variable component of the remuneration package is mainly in the form of cash-based variable bonuses which reward employees that commensurate with the performance of the Company. The performance-related variable cash bonus pool is computed based on established formula approved by the Executive Resource and Compensation Committee which is calibrated as a percentage of the profit before tax for the year of review in excess of a required hurdle rate. There is currently no commission-based scheme for staff nor share-based awards under long-term incentive scheme.

Based on the current mix of fixed and variable compensation components and design of the variable cash bonus pool formula, the remuneration of executives is aligned with the interests of shareholders and took into account risk policies of the Group.

Having reviewed and considered the variable components of the Executive Director and key management personnel, which is moderate, and the principles behind the formulation of the variable cash bonus pool, the Executive Resource and Compensation Committee is of the view that there is currently no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years.

CORPORATE GOVERNANCE REPORT

Remuneration of Non-Executive Director

For the Non-Executive Directors, they are remunerated based on a framework of basic director fees and committee fees which is formulated taking into account factors such as responsibilities, level of contribution and time spent. The framework is reviewed by the Executive Resource and Compensation Committee and endorsed by the Board.

The directors' fees payable to the Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting. The Group Chief Executive Officer/Executive Director does not receive director's fees.

DISCLOSURE ON REMUNERATION

Principle 9

Disclosure of Remuneration of the Directors

A breakdown showing the level and mix of each individual director's remuneration payable for the financial year ended 31 December 2015 is as follows:

	Number of Directors	
Remuneration Band	**FYE 31 Dec 2015**	**FYE 31 Dec 2014**
$500,000 to below $750,000	0	0
$250,000 to below $500,000	1	1
Below $250,000	6	5
Total	**7***	**6**

* Includes 1 director who resigned during the course of the financial year ended 31 December 2015

	Remuneration Band/ Directors of Company	Directors' Fees(3) %	Fixed Pay %	Annual Wage Supplement and Variable Bonus %	Allowances & Others %	Total %
(i)	**$500,000 to below $750,000**					
	–	–	–	–	–	–
(ii)	**$250,000 to below $500,000**					
	Mr Lee Soon Kie(1)	–	65	–	35	100
(iii)	**Below $250,000**					
	Mr Lim Hua Min	100	–	–	–	100
	Mr Gabriel Teo Chen Thye	100	–	–	–	100
	Mr Law Song Keng	100	–	–	–	100
	Mr Manu Bhaskaran	100	–	–	–	100
	Mr Kwah Thiam Hock	100	–	–	–	100
	Mr Tan Hai Leng Eugene(2)	–	100	–	–	100

(1) Mr Lee Soon Kie resigned as a director of the Company with effect from 12 October 2015
(2) Mr Tan Hai Leng Eugene was appointed as a director of the Company with effect from 12 October 2015
(3) Directors' Fees refer to fees for the financial year ended 31 December 2015, subject to approval by shareholders at the forthcoming AGM

CORPORATE GOVERNANCE REPORT

Top Five Key Management Personnel's Remuneration

The breakdown of the five most highly compensated key management personnel of the Group (who are not also directors or the Group Chief Executive Officer of the Company) into remuneration bands of $250,000 is as follows:

Remuneration Band	FYE 31 Dec 2015	FYE 31 Dec 2014
$500,000 to below $750,000	1	1
$250,000 to below $500,000	1	0
Below $250,000	3	4
Total	5	5

In aggregate, the total remuneration paid to the above top five key management personnel of the Group (who are not also directors or the Group Chief Executive Officer of the Company) is $1.54 million in the financial year ended 31 December 2015.

The Code recommends that the report should set out the names of at least the top five key management personnel (who are not also directors or the Group Chief Executive Officer of the Company) as well as full disclosure of the remuneration figures for each director, the Group Chief Executive Officer and the top five key management personnel. Given the competitive industry conditions, the Board, after weighing the advantages and disadvantages, feels that it is in the interests of the Company that the names of these top five key management personnel are not disclosed and the remuneration of the Group Chief Executive Officer/ Executive Director, the Non-Executive Directors and the top five key management personnel be disclosed in bands of $250,000.

During the financial year ended 31 December 2015, there was no employee who was immediate family members of a director or the Group Chief Executive Officer and whose remuneration exceeds $50,000.

Currently, the Company does not have any employee share schemes.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY
Principle 10

The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to the shareholders within 45 days of the reporting period while the full-year results are released to the shareholders within 60 days of the financial year-end. In presenting the financial reports, the Board aims to provide a balanced and understandable assessment of the Group's financial performance and prospects.

Management provides all the members of the Board with management accounts on the performance of the Group on a monthly basis.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11

The Audit Committee assists the Board in its oversight responsibility for internal controls and risk management of the Group. The Audit Committee reviews the adequacy and effectiveness of the risk management and internal control system that includes financial, operational, compliance and information technology controls established by management, with the assistance of the internal and external auditors. Any significant internal control weaknesses noted during their audits are highlighted to the Audit Committee and the internal auditors assist in monitoring that necessary actions are taken by management.

Management is responsible for maintaining a sound system of risk management and internal controls. Risk assessment and evaluation is an ongoing process which forms an integral part of the Group's business cycle. The Group has in general adopted a standard procedure in managing risks. This includes the identification and evaluation of priority risks and a monitoring mechanism to respond to changes within both the enterprise and the business environment. In order to ensure smooth running of the risk management process, key business objectives have been communicated by management to the heads of the various departments in the Group. The Group's operating units are aware of their responsibilities for the internal control systems and the role they play in ensuring that the financial results are properly stated in accordance with statutory requirements and the Group's policies. The Group has also conducted control self-assessment workshops or surveys for the various business units, functions or processes as part of the risk management and evaluation process to review the key risks of the Group and the internal controls in place to manage or mitigate those risks.

The Board has received assurance from the Group Chief Executive Officer and the Group Chief Financial Officer that, for the year under review:

(i) the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances; and

(ii) the Group's risk management and internal control systems are effective and adequate in all material respects.

Based on the risk management framework and the system of internal controls established and maintained by the Group, information furnished to the Board, the internal and external audits conducted and the reviews performed by management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's system of risk management and internal controls addressing financial, operational, compliance and information technology risks currently maintained by management is adequate and effective to meet the Group's current business objectives.

The Board notes that all internal control systems contain its inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. Hence, the system of internal controls can only provide reasonable, but not absolute, assurance against material financial misstatement or loss.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

Principle 12

Composition of the Audit Committee

As at 31 December 2015, the Audit Committee comprises 3 members, all of whom are independent Non-Executive Directors:

Gabriel Teo Chen Thye	Chairman, Independent
Law Song Keng	Member, Independent
Manu Bhaskaran	Member, Independent

The Board is of the view that the members of the Audit Committee have the requisite experience and expertise to discharge the functions of the Audit Committee.

Authority and Duties of the Audit Committee

The Audit Committee functions under the terms of reference approved by the Board which sets out its duties and responsibilities. The role of the Audit Committee is mainly to oversee the adequacy and effectiveness of the overall internal control functions, the internal audit functions within the Group, the relationship of those functions to external audit, the scope of audit by the external auditor as well as their independence. The Audit Committee reviews the quarterly and annual announcements of the Group's financial results as well as the financial statements of the Group and the Company before they are submitted to the Board for approval. The Audit Committee also reviews interested person transactions (as defined in Chapter 9 of SGX-ST Listing Manual).

The Audit Committee is authorised to investigate any matters within its terms of reference, with full access to and co-operation by the management. The Audit Committee also has full discretion to invite any director or executive officer to attend its meetings and reasonable resources to carry out its functions.

In the course of the year, at Audit Committee meetings, the external auditor, KPMG LLP briefed the Audit Committee members on developments in accounting and governance standards as well as issues which have a direct impact on financial statements.

In performing its functions, the Audit Committee met with the internal and external auditors, without the presence of management, and reviewed the overall scope of both the internal and external audits, and the assistance given by management to the auditors.

Review of Independence of External Auditor

The Audit Committee also undertook the annual review of the independence of external auditors through discussions with the external auditors as well as reviewing all the non-audit services provided by the external auditors and the fees payable to them. The Audit Committee is satisfied that the non-audit services performed by them would not affect the independence of the external auditors and has recommended the re-appointment of the external auditors at the Company's forthcoming Annual General Meeting.

A breakdown of the fees of audit and non-audit services paid to the external auditors for the financial year ended 31 December 2015 is found in note 37 of the financial statement on page 104 of this Annual Report.

Whistleblowing Policy

The Company has in place a whistle-blowing framework whereby staff of the Group can have access to the Audit Committee Chairman, Group Chief Executive Officer, Head of Internal Audit, Head of Human Resource and Head of Compliance to raise concerns of any improprieties in confidence. The Audit Committee reviews this framework with an objective to ensure that arrangements are in place for independent investigation of such concerns raised and for appropriate follow-up action.

INTERNAL AUDIT

Principle 13

The Group has an in-house internal audit function that is independent of the activities it audits. The Internal Audit department was set up to ensure internal controls are adequate and to monitor the performance and effective application of the internal audit procedures with regards to these controls. In the course of their work, the internal auditors' activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors have full access to the Group's documents, records and personnel necessary for their purpose of their duties.

The internal auditors report functionally to the Chairman of the Audit Committee on audit matters and to the Group Chief Executive Officer on administrative matters.

Adequacy of the Internal Audit Function

The Audit Committee ensures that the internal audit function has adequate resources, is staffed with persons with relevant qualification and expertise and has appropriate standing within the Group. The Audit Committee, on an annual basis, assesses the effectiveness of the internal auditors by examining:

(i) the scope of the internal auditors' work;

(ii) the quality of their reports;

(iii) the reporting lines of the internal auditors within the Group;

(iv) their relationship with the external auditors; and

(v) their independence of the areas reviewed.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14

To facilitate shareholders' ownership rights, the Board ensures that all material information is disclosed on a comprehensive, accurate and timely basis.

All shareholders are entitled to attend the Annual General Meeting and are afforded the opportunity to raise relevant questions and to communicate their views in the Annual General Meeting. The Company's Constitution allows shareholders who are not "Relevant Intermediaries" (as defined in the Companies Act) to appoint not more than two proxies to attend, speak and vote in his place at general meetings of shareholders. Under the new multiple proxies regime, "Relevant Intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors to be appointed as proxies to participate at general meetings.

COMMUNICATION WITH SHAREHOLDERS

Principle 15

The Board strives for timeliness in its disclosures to shareholders and the public and it is the Board's policy to keep shareholders informed of material developments that would have an impact on the Company or the Group through announcements via SGXNET. In addition, the Group also uses other channels where appropriate for communication with the shareholders, such as press releases, regularly updated corporate website, annual reports, analyst briefings and shareholders' meetings.

The Company also notifies shareholders in advance of the date of release of its financial results through announcements via SGXNET and posting them on the corporate website. After the announcement of its financial results, briefings are held by management for analysts.

The latest Annual Reports, financial results and company announcements are posted on the corporate website following the release to the market. The corporate website has a clearly dedicated "Investor Relations" link, which enables shareholders to raise their queries or concerns.

Due to the losses incurred by the Group and the Company for the financial year ended 31 December 2015, no dividend was proposed for the said financial year.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16

Shareholders are informed of shareholdings' meetings through published notices and reports or circulars sent to all shareholders. The Annual General Meeting procedures provide shareholders the opportunity to raise relevant questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage and openly communicate their views on matters relating to the Group to the directors and the external auditors.

Other methods of voting in absentia as recommended by the Code are not made available at the moment. Voting in absentia may only be possible after careful study to ensure that the integrity of the information and authentication of identity of shareholders through the web are not compromised.

Chairpersons of the Audit Committee and the Executive Resource and Compensation Committee and the external auditors attend Annual General Meetings to address any questions which may be raised by the shareholders at such meetings.

Minutes of shareholder meetings are available upon request in writing by shareholders. The Company ensures that there are separate resolutions at general meetings on each substantial separate issue and avoids "bundling" separate resolutions.

The Company would be conducting voting by poll at its general meetings pursuant to the Rule 730A(2) of the SGX-ST Listing Manual which came into effect on 1 August 2015.

CODE ON DEALINGS IN SECURITIES

The Company has issued a Code on Dealings in IFS Securities (the "**Internal Code**") to directors and key employees (including employees with access to price-sensitive information in relation to the Company's shares) of the Company, setting out a code of conduct on dealings in the Company's shares by these persons in line with the best practices set out in Rule 1207(19) of the SGX-ST Listing Manual. The guidelines under the Internal Code, *inter alia*, provide that officers (i) should not deal in the Company's shares on short-term considerations; and (ii) should not deal in the Company's shares during the period commencing two week before the release of the Company's results for the first three quarters and one month before the announcement of the Company's full-year financial results, and ending on the date of announcement.

CORPORATE GOVERNANCE REPORT

Details of the directors' academic and professional qualifications, appointment dates on the Board and other appointments:

Name of Director	Academic & Professional Qualifications	IFS Board (a) Date First Appointed (b) Date Last Re-elected	Other Key Information
Lim Hua Min	– Bachelor of Science (Honours), University of Surrey, England (1968) – Master of Science, Imperial College, London University (1969)	(a) 20.05.2003 (b) 22.04.2013	**Present Directorships in Other Listed Companies:** • Director, Walker Crips Group plc. (UK) • Director, Walker Crips Stockbrokers Limited (UK) **Other Principal Commitments:** *Directorships in other companies* • Executive Chairman, Phillip Group of Companies • Director, Phillip Bank Plc (Cambodia) • Director, ECICS Limited Other major appointments *(other than directorships)* Nil **Past Directorships in other listed companies held over the preceding 3 years:** Nil

CORPORATE GOVERNANCE REPORT

Name of Director	Academic & Professional Qualifications	IFS Board (a) Date First Appointed (b) Date Last Re-elected	Other Key Information
Gabriel Teo Chen Thye	– Bachelor of Business Administration, University of Singapore (1975) – Masters in Business Administration, Cranfield School of Management (UK) (1980)	(a) 02.11.1999 (b) 17.04.2014	**Present Directorships in Other Listed Companies:** • Director, Sunningdale Tech Ltd **Other Principal Commitments:** *Directorships in other companies* • Director, Tenet Sompo Insurance Pte Ltd • Chairman, One Marina Property Services Pte Ltd • Director, Gabriel Teo & Associates Pte Ltd *Other major appointments (other than directorships)* • Member, Board of Governors, St Gabriel's Foundation • Chairman, School Management Committee, Assumption Pathway School **Past Directorships in other listed companies held over the preceding 3 years:** Nil

CORPORATE GOVERNANCE REPORT

Name of Director	Academic & Professional Qualifications	IFS Board (a) Date First Appointed (b) Date Last Re-elected	Other Key Information
Law Song Keng	– Bachelor of Science, (Maths, First Class Honours), University of Singapore (1968) – Master of Science (Actuarial Science), Northeastern University, USA (1970) – Fellowship of Society of Actuaries, USA (1978)	(a) 31.01.2011 (b) 22.04.2015	**Present Directorships in Other Listed Companies:** • Director, Great Eastern Holdings Ltd **Other Principal Commitments:** *Directorships in other companies* • Chairman, Asia Capital Reinsurance Group Pte Ltd • Chairman, Frasers Hospitality Asset Management Pte Ltd • Chairman, Frasers Hospitality Trust Management Pte Ltd • Director, ECICS Limited • Chairman, Concord Insurance Company Limited *Other major appointments (other than directorships)* Nil **Past Directorships in other listed companies held over the preceding 3 years:** Nil

CORPORATE GOVERNANCE REPORT

Name of Director	Academic & Professional Qualifications	IFS Board (a) Date First Appointed (b) Date Last Re-elected	Other Key Information
Manu Bhaskaran	– Bachelor of Arts (Honours), Magdalene College, Cambridge University (1980) – Masters in Public Administration, John F Kennedy School of Government, Harvard University (1987) – Chartered Financial Analyst (1992)	(a) 26.02.2004 (previously director of IFS from 26.06.2002 to 20.05.2003) (b) 22.04.2015	**Present Directorships in Other Listed Companies:** Nil **Other Principal Commitments:** *Directorships in other companies* • Director, Aspen Networks Inc • Director and Chief Executive Officer, Centennial Asia Advisors Pte Ltd • Director, Centennial Group Holdings • Director, Luminor Capital Pte Ltd • Director, MinorCap Pte Ltd • Director Shining Star Solutions and Services Private Limited, India • Director, Jebsen & Jessen (SEA) Pte Ltd • Director, CIMB Investment Bank Berhad *Other major appointments (other than directorships)* • Partner and Head of Economic Research, Centennial Group Inc • Council Member, Singapore Institute of International Affairs • Vice President, Economic Society of Singapore • Senior Adjunct Fellow, Institute of Policies Studies **Past Directorships in other listed companies held over the preceding 3 years:** Nil

CORPORATE GOVERNANCE REPORT

Name of Director	Academic & Professional Qualifications	IFS Board (a) Date First Appointed (b) Date Last Re-elected	Other Key Information
Kwah Thiam Hock	– Bachelor of Accountancy, University of Singapore (1973) – Fellow, Certified Public Accountant, Institute of Singapore Chartered Accountants – Fellow, Certified Public Accountant, Australian Society of Accountants – Fellow, Association of Chartered Certified Accountants (UK)	(a) 04.05.1987 (b) 22.04.2013	**Present Directorships in Other Listed Companies:** • Director, Select Group Limited • Director, Wilmar International Limited • Director, Excelpoint Technology Limited • Director, Teho International Inc Ltd **Other Principal Commitments:** *Directorships in other companies* • Director, ECICS Limited *Other major appointments (other than directorships)* Nil **Past Directorships in other listed companies held over the preceding 3 years:** Nil
Tan Hai Leng Eugene	– Bachelor of Arts and Social Sciences (Majored in Political Science and History), University of Singapore (1982)	(a) 12.10.2015 (b) –	**Present Directorships in Other Listed Companies:** • Chairman, IFS Capital (Thailand) Public Company Limited **Other Principal Commitments:** *Directorships in other companies* Nil *Other major appointments (other than directorships)* Nil **Past Directorships in other listed companies held over the preceding 3 years:** Nil

FINANCIAL REPORT

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2015.

In our opinion:

(a) the financial statements set out on pages 39 to 146 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this report are as follows:

Lim Hua Min
Gabriel Teo Chen Thye
Manu Bhaskaran
Kwah Thiam Hock
Law Song Keng
Eugene Tan Hai Leng (Appointed on 12 October 2015)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Lim Hua Min		
IFS Capital Limited – Company		
– ordinary shares		
– deemed interests	61,326,657	61,489,957
Kwah Thiam Hock		
IFS Capital Limited – Company		
– ordinary shares		
– interest held	508,200	508,200

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at date of appointment if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Directors' interests (continued)

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2016.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for the salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 37 and 41 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Audit Committee

The members of the Audit Committee during the year and at the date of this report comprise the following Non-Executive Directors:

Gabriel Teo Chen Thye (Chairman)	Independent
Manu Bhaskaran	Independent
Law Song Keng	Independent

The Audit Committee performs the functions specified in Section 201B of the Singapore Companies Act, the SGX-ST Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system. The Audit Committee also met with both the external and internal auditors without the presence of the Group's management to discuss issues of concern to them.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the audit firm for the Group, the Audit Committee is satisfied that the Company has complied with the Rules 712, 715 and 716 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Eugene Tan Hai Leng
Director

Kwah Thiam Hock
Director

Singapore
4 March 2016

INDEPENDENT AUDITORS' REPORT

Members of the Company
IFS Capital Limited

Report on the financial statements

We have audited the accompanying financial statements of IFS Capital Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 146.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statements of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
4 March 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	4	**17,612**	17,231	**14,491**	15,111
Intangible assets	5	**776**	642	**119**	184
Investment property	6	**1,258**	–	**–**	–
Subsidiaries	7	**–**	–	**73,587**	75,845
Loans to subsidiaries	8	**–**	–	**6,615**	–
Other investments	9	**51,898**	48,704	**8,054**	7,000
Loans, advances, hire purchase and leasing receivables	10	**38,191**	48,785	**32,807**	40,483
Deferred tax assets	12	**5,860**	6,832	**708**	230
		115,595	122,194	**136,381**	138,853
Current assets					
Reinsurers' share of insurance contract provisions	13	**20,731**	19,110	**–**	–
Insurance receivables	14	**2,106**	1,052	**–**	–
Trade and other receivables	15	**200,364**	212,745	**104,357**	107,246
Other investments	9	**20,698**	24,794	**390**	–
Derivative financial assets	18	**333**	190	**10**	190
Cash and cash equivalents	19	**33,651**	24,013	**11,344**	7,510
Assets held for sale	20	**–**	167	**–**	–
		277,883	282,071	**116,101**	114,946
Total assets		**393,478**	404,265	**252,482**	253,799
Equity					
Share capital	22	**88,032**	88,032	**88,032**	88,032
Other reserves	23	**(4,818)**	(3,599)	**894**	863
Accumulated profits		**18,802**	36,148	**21,347**	27,585
Equity attributable to owners of the Company		**102,016**	120,581	**110,273**	116,480
Non-controlling interests	24	**11,468**	11,221	**–**	–
Total equity		**113,484**	131,802	**110,273**	116,480
Non-current liabilities					
Interest-bearing borrowings	25	**23,200**	46,683	**19,145**	35,610
Employee benefits	26	**1,142**	931	**–**	–
Deferred tax liabilities	12	**187**	–	**–**	–
		24,529	47,614	**19,145**	35,610
Current liabilities					
Trade and other payables	27	**7,110**	8,275	**3,001**	5,068
Insurance payables	29	**1,825**	2,418	**–**	–
Interest-bearing borrowings	25	**210,735**	182,419	**120,063**	96,173
Insurance contract provisions for					
– gross unexpired risks	13	**11,661**	13,512	**–**	–
– gross insurance claims	13	**23,484**	16,905	**–**	–
Derivative financial liability	18	**21**	–	**–**	–
Current tax payable		**629**	1,320	**–**	468
		255,465	224,849	**123,064**	101,709
Total liabilities		**279,994**	272,463	**142,209**	137,319
Total equity and liabilities		**393,478**	404,265	**252,482**	253,799

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Interest income	30	**25,222**	24,607
Interest expense	31	**(6,980)**	(6,068)
Net interest income		**18,242**	18,539
Gross written premiums		**8,020**	8,032
Change in gross provision for unexpired risks	13	**1,851**	2,386
Gross earned premium revenue		**9,871**	10,418
Written premiums ceded to reinsurers		**(3,291)**	(4,522)
Reinsurers' share of change in provision for unexpired risks	13	**(2,121)**	(2,016)
Reinsurance premium expense		**(5,412)**	(6,538)
Net earned premium revenue	32	**4,459**	3,880
Fee and commission income	33	**6,985**	8,694
Investment income	34	**1,518**	2,998
Other income	35	**311**	495
Non-interest income		**8,814**	12,187
Income before operating expenses		**31,515**	34,606
Business development expenses		**(789)**	(796)
Commission expenses		**(1,012)**	(640)
Staff costs		**(12,535)**	(13,109)
General and administrative expenses		**(7,093)**	(6,690)
Operating expenses		**(21,429)**	(21,235)
Change in provision for insurance claims		**(6,579)**	(12,030)
Reinsurers' share of change in provision for insurance claims		**3,742**	8,337
Gross claims paid	13	**(1,882)**	(4,735)
Reinsurers' share of claims paid	13	**1,114**	3,252
Net claims incurred	32	**(3,605)**	(5,176)
Operating profit before allowances		**6,481**	8,195
Allowances for loan losses and impairment of other assets	36	**(19,108)**	(15,802)
Loss before tax	37	**(12,627)**	(7,607)
Tax (expense)/credit	38	**(1,251)**	1,280
Loss for the year		**(13,878)**	(6,327)
(Loss)/profit attributable to:			
Owners of the Company		**(15,151)**	(7,694)
Non-controlling interests		**1,273**	1,367
Loss for the year		**(13,878)**	(6,327)
Loss per share			
Basic loss per share (cents)	39	**(10.1)**	(5.1)
Diluted loss per share (cents)	39	**(10.1)**	(5.1)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Loss for the year		(13,878)	(6,327)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan remeasurements		184	–
Tax on items that will not be reclassified to profit or loss		(46)	–
		138	–
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale financial assets		497	2,725
Net change in fair value of available-for-sale financial assets reclassified to profit or loss due to:			
– impairment of available-for-sale financial assets	36	–	986
– disposal of available-for-sale financial assets		(747)	(1,067)
		(747)	(81)
Foreign currency translation differences of foreign operations		(1,361)	1,968
Tax on other comprehensive income	38	42	(449)
		(1,569)	4,163
Other comprehensive income for the year, net of tax		(1,431)	4,163
Total comprehensive income for the year		(15,309)	(2,164)
Total comprehensive income attributable to:			
Owners of the Company		(16,309)	(3,967)
Non-controlling interests		1,000	1,803
Total comprehensive income for the year		(15,309)	(2,164)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2015

		Attributable to owners of the Company							
	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2015		88,032	(39)	3,702	(7,262)	36,148	120,581	11,221	131,802
Total comprehensive income for the year									
(Loss)/profit for the year		–	–	–	–	(15,151)	(15,151)	1,273	(13,878)
Other comprehensive income									
Foreign currency translation differences		–	–	–	(1,088)	–	(1,088)	(273)	(1,361)
Net change in fair value of available-for-sale financial assets		–	–	497	–	–	497	–	497
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	(747)	–	–	(747)	–	(747)
Defined benefit plan remeasurements		–	–	–	–	138	138	–	138
Tax on other comprehensive income		–	–	42	–	–	42	–	42
Total other comprehensive income		–	–	(208)	(1,088)	138	(1,158)	(273)	(1,431)
Total comprehensive income for the year		–	–	(208)	(1,088)	(15,013)	(16,309)	1,000	(15,309)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Capitalisation of statutory legal reserves of a subsidiary		–	77	–	–	(77)	–	–	–
Dividends to owners of the Company	23	–	–	–	–	(2,256)	(2,256)	–	(2,256)
Total contributions by and distributions to owners		–	77	–	–	(2,333)	(2,256)	–	(2,256)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2015

		Attributable to owners of the Company (continued)							
	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries									
Dividends paid by a subsidiary company to non-controlling interests		–	–	–	–	–	–	(753)	(753)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	(753)	(753)
Total transactions with owners		–	77	–	–	(2,333)	(2,256)	(753)	(3,009)
At 31 December 2015		88,032	38	3,494	(8,350)	18,802	102,016	11,468	113,484

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2015

		Attributable to owners of the Company							
	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2014		88,032	(236)	1,507	(8,794)	47,047	127,556	10,078	137,634
Total comprehensive income for the year									
(Loss)/profit for the year		–	–	–	–	(7,694)	(7,694)	1,367	(6,327)
Other comprehensive income									
Foreign currency translation differences		–	–	–	1,532	–	1,532	436	1,968
Net change in fair value of available-for-sale financial assets		–	–	2,725	–	–	2,725	–	2,725
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	(81)	–	–	(81)	–	(81)
Tax on other comprehensive income		–	–	(449)	–	–	(449)	–	(449)
Total other comprehensive income		–	–	2,195	1,532	–	3,727	436	4,163
Total comprehensive income for the year		–	–	2,195	1,532	(7,694)	(3,967)	1,803	(2,164)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Capitalisation of statutory legal reserves of a subsidiary		–	197	–	–	(197)	–	–	–
Dividends to owners of the Company	23	–	–	–	–	(3,008)	(3,008)	–	(3,008)
Total contributions by and distributions to owners		–	197	–	–	(3,205)	(3,008)	–	(3,008)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2015

		Attributable to owners of the Company (continued)							
	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries									
Dividends paid by a subsidiary company to non-controlling interests		–	–	–	–	–	–	(660)	(660)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	(660)	(660)
Total transactions with owners		–	197	–	–	(3,205)	(3,008)	(660)	(3,668)
At 31 December 2014		88,032	(39)	3,702	(7,262)	36,148	120,581	11,221	131,802

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Loss for the year		(13,878)	(6,327)
Adjustments for:			
Amortisation of			
– intangible assets	5	400	315
– held-to-maturity securities	34	74	33
Net foreign exchange (gain)/loss		(239)	34
Derivative financial instrument		(302)	–
Depreciation of property, plant and equipment	4	1,047	987
Depreciation of investment property	6	47	–
Fixed assets written off		1	20
Loss/(gain) on disposal of equity securities	34	172	(484)
Gain on partial redemption of convertible loans	34	(747)	(1,067)
Gain on disposal of property, plant and equipment	35	(12)	–
Net change in fair value of financial assets through profit or loss	34	1,415	250
Allowance for impairment of investments	36	–	986
Impairment on property, plant and equipment	4	328	–
Provision for/(reversal of), net of reinsurers' share			
– unexpired risks	13	270	(370)
– insurance claims	13	2,837	3,693
Interest income	30	(25,222)	(24,607)
Interest income from investments and fixed deposits	34	(1,206)	(1,152)
Dividend income from investments	34	(1,133)	(517)
Interest expense	31	6,980	6,068
Tax expense/(credit)	38	1,251	(1,280)
Operating cash flows before changes in working capital		(27,917)	(23,418)
Changes in working capital:			
Factoring receivables		296	9,226
Factoring amounts due to clients		521	(1,100)
Loans, advances, hire purchase and leasing receivables		17,133	(8,255)
Assets held for sale		–	(167)
Insurance and other receivables		(254)	1,107
Trade, other and insurance payables		(1,517)	(2,450)
Cash used in operations		(11,738)	(25,057)
Interest received		26,483	25,580
Interest paid		(6,774)	(6,025)
Taxes paid, net		(1,297)	(2,584)
Net cash from/(used in) operating activities		6,674	(8,086)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2015

	2015 $'000	2014 $'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	17	7
Purchase of property, plant and equipment	(2,784)	(561)
Purchase of intangible assets	(536)	(609)
Purchase of investments	(26,394)	(42,951)
Proceeds from disposal of investments	26,393	15,806
Dividends received from investments	1,112	517
Net cash used in investing activities	(2,192)	(27,791)
Cash flows from financing activities		
Dividends paid to owners of the Company	(2,256)	(3,008)
Dividends paid to non-controlling interests	(753)	(660)
Proceeds from interest-bearing borrowings	8,373	893
Net cash from/(used in) financing activities	5,364	(2,775)
Net increase/(decrease) in cash and cash equivalents	9,846	(38,652)
Cash and cash equivalents at beginning of year	24,013	62,142
Effect of exchange rate fluctuations on cash held	(208)	523
Cash and cash equivalents at end of year (Note 19)	33,651	24,013

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 March 2016.

1 DOMICILE AND ACTIVITIES

IFS Capital Limited (the "Company") is a company incorporated in Singapore and has its registered office at 7 Temasek Boulevard #10-01, Suntec Tower One, Singapore 038987.

The financial statements of the Group as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

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. The principal activities of the subsidiaries are detailed in note 7 below.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The assets and liabilities of the Group which relate to the insurance business carried on in Singapore are subject to the requirements of the Insurance Act, Chapter 142 ("Insurance Act"). Such assets and liabilities are accounted for in the books of the insurance funds established under the Insurance Act. The net assets of the Group held in the insurance funds must be sufficient to meet the solvency requirements stipulated in Section 18 of the Insurance Act at all times. Assets held in the insurance funds may be withdrawn only if the withdrawal meets the requirements stipulated in Section 17 and the Group continues to be able to meet the solvency requirements of Section 18 of the Insurance Act.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value as described in the notes below.

2.3 Functional and presentation currency

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.

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, assumptions and estimation in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and may have a significant risk of resulting in a material adjustment within the next financial year are included in note 43.

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. This includes a valuation team that has an overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Group Chief Executive Officer. The valuation team reviews significant unobservable inputs and valuation adjustments on a 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 in 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.

Further information about the assumptions made in measuring fair values is included in note 42.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements, and have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Where share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Singapore dollars at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Singapore dollars at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held for trading comprise equity securities and derivatives actively managed by the Group.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise debt securities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, insurance and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the date of acquisition. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

Non-derivative financial liabilities (continued)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest-bearing borrowings, bank overdrafts, insurance, trade and other payables.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments

The Group used derivative financial instruments to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. These derivative financial instruments are only used for hedging an underlying risk. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below.

Derivative financial asset and liability

The derivative financial asset and liability are measured at fair value and changes therein are recognised in profit or loss.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

Offsetting of financial instruments

There are no financial assets and liabilities that are offset in the Group and the Company's statement of financial position or are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (continued)

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if the component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:–

• Leasehold land	99 years
• Leasehold building	30 years
• Freehold residential properties	50 years
• Freehold building	19 and 40 years
• Renovations	4 years
• Office equipment, furniture and fittings	2 to 6 years
• Computer equipment	3 to 5 years
• Vessels	5 years
• Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss. When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

3.5 Intangible assets and goodwill

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1 (i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets and goodwill (continued)

Membership rights

Corporate club membership is stated at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line and reducing balance basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

• Computer software	3 to 5 years
• Customer lists	5 years
• Copyrights	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and any other costs directly attributable to bringing the investment property to a working condition for its intended use.

Any gain or loss of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred into retained earnings.

When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables and held-to-maturity investment securities

The Group considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

Loans and receivables and held-to-maturity investment securities (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (continued)

Non-financial assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Insurance risk is significant if, and only if, an insured event could cause the Group to pay significant additional benefits. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

Credit insurance and political risk insurance

The Group provides credit insurance against non-payment risks arising from commercial and political events. Commercial events may be due to protracted default in payments or insolvency of the buyer. Political events are defined as external factors beyond the control of both the policyholder and the buyer that lead to the buyer not being able to make payments to the policyholders. Political events are for example the occurrence of war or other disturbances in the buyer's country affecting the settlement of debt, transfer payment delays due to the imposition of foreign exchange controls, or the cancellation or imposition of import licence in the buyer's country.

The Group issues short-term comprehensive contracts where the period of coverage is usually a year or less. These policies are typically purchased by exporters who are based mainly in Singapore. The Group also issues specific policies for medium and long term credit period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Classification of insurance contracts (continued)

Bond and guarantee insurance contracts

Risks covered under the guarantee business are related to the client's performance capabilities to meet the requirements of projects or contracts, for which the Group issues bonds and guarantees on behalf of the clients.

The major classes of bonds and guarantees issued include Performance Bond, Advance Payment Bond, Contract Tender Bond/Bid Bond, Qualifying Certificate Bond, Customs Bond, Foreign Worker Bond, Tenancy/Rental Bond and Account Payment Bond.

The Group also provides financial guarantees guaranteeing the payment obligations of our clients under a loan agreement, bond or any debt instrument.

Maid insurance

The Group provides coverage for domestic maids against personal accidents, hospitalisation and surgical expenses and issuance of security bond to Ministry of Manpower of Singapore.

Contractors' all risks insurance

Risks covered under the contractors' all risks business are related to accidental losses or damages to property in the course of their construction. The coverage also includes indemnity towards liability to third party whose property might be damaged or bodily injury sustained as a result of the construction works.

Work injury compensation insurance

The work injury compensation insurance policy is a compulsory insurance by virtue of the Work Injury Compensation Act Cap 354 whereby it provides compensation to workers or their dependents for specified occupational diseases, personal injuries or deaths caused by accidents arising out of and in the course of employment. In addition, the policy also covers the employers' liability under the common law to his workers, due to negligence leading to accident and resulting in injury and death.

Motor Insurance

Motor insurance policies cover private cars and commercial vehicles. Risks covered under motor insurance are related to losses or damages to the insured vehicle, death or injuries to third parties, damages to third party property and personal accident.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Recognition and measurement of insurance contracts

Premiums and provision for unexpired risks

Gross written premiums are disclosed gross of commission payable to intermediaries and exclude taxes and levies based on premiums. Premiums written do not include an estimate for pipeline premiums.

For short-term comprehensive credit insurance contracts, premiums are recognised when minimum premium is invoiced. A minimum premium is received from the policyholder upfront at the commencement of the cover. This minimum premium is determined using premium rates which are adjusted according to the level of credit risk exposure to buyers. At expiry of the policy contract, the Company will assess the premium on total declared sales and invoice any excess premium and recognised it as revenue.

For bonds and guarantees, maid insurance, contractors' all risks insurance, work injury compensation insurance and motor insurance, premiums are recognised upon inception of risk.

The provision for unexpired risks includes unearned premiums calculated on a daily pro rata basis on the net written premiums over the policy period for all insurance policies. During the year, the calculation for provision for unexpired risks for short term credit insurance policies has been changed from flat rate of 25% basis to daily pro-rata basis to provide more accurate estimate of the unearned premiums. The change was applied prospectively and the impact of the change was an increase in the unearned premiums by $8,387 as at 31 December 2015. This resulted in a decrease in profit or loss and equity by the same amount. An additional provision for unexpired risks is made where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premiums in relation to such policies. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together.

Fees and other charges to policyholders

Administration fees are charged to policyholders for the cost of processing and issuing bonds and guarantees. These are recognised in profit or loss immediately.

Claims incurred and provision for insurance claims

Claims incurred comprise claims paid during the financial year, net of subrogation recoveries, and changes in the provision for outstanding claims.

Provision for insurance claims comprises provisions for the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expenses and a provision for adverse deviation ("PAD"). Provision for insurance claims is assessed by reviewing individual claims and making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends. Provision for insurance claims is discounted where there is a particularly long period from incident to claims settlement and where there exists a suitable claims pattern from which to calculate the discount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Recognition and measurement of insurance contracts (continued)

Claims incurred and provision for insurance claims (continued)

Whilst the management considers that the gross provision for claims and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. The methods used, and the estimates made, are reviewed annually.

Reinsurance

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net losses. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance premium expense, reinsurers' share of claims incurred and reinsurance commission income are presented in profit or loss and statement of financial position on a gross basis.

Reinsurance assets comprise reinsurers' share of insurance contract provisions and balances due from reinsurance companies. The amounts recognised as reinsurers' share of insurance contract provisions are measured on a basis that is consistent with the measurement of the provisions held in respect of the related insurance contracts. Balances due from reinsurance companies in respect of claims paid are included within insurance receivables on the statement of financial position.

Reinsurance assets are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Commission expense

Commission expenses are fees paid to intermediaries upon acquiring new and renewal of insurance business.

For all insurance policies, commission expenses are not amortised on a pro-rata basis over the period of the contracts.

Commission income

Commission income comprises reinsurance and profit commissions received or receivable which do not require the Group to render further service. Commission income is not deferred and amortised on a pro-rata basis over the period of the contracts but is recognised in full on the effective commencement or renewal dates of the policies.

Claim recoveries

Claim recoveries represent actual subrogation recoveries received from policyholders during the year.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Recognition and measurement of insurance contracts (continued)

Insurance receivables and payables

Insurance receivables and insurance payables are recognised when due. These include amounts due to and from insurance and reinsurance contract holders. They are measured on initial recognition at the fair value of the consideration receivables or payable. Subsequent to initial recognition, receivables and payables are measured at amortised cost, using the effective interest rate method. Insurance receivables and insurance payables are derecognised based on the same derecognition criteria as financial assets and liabilities respectively, as described in note 3.3.

The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable and recognises that impairment loss in the profit or loss. The Group gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is calculated under the same method used for these financial assets, as described in note 3.8.

Liability adequacy test

The liability of the Group under insurance contracts is tested for adequacy by comparing the expected future contractual cash flows with the carrying amount of the insurance contract provisions for gross unexpired risks and gross insurance claims. Where an expected shortfall is identified, additional provisions are made for unexpired risks or insurance claims and the deficiency is recognised in profit or loss.

3.11 Employee benefits

Defined contributions plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to statutory defined contribution pension plan are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Employee benefits (continued)

Defined benefit plans (continued)

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements from defined benefit plan comprise actuarial gains and losses. The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.13 Finance income and finance cost

Finance income comprises interest income, dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss, that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Finance income and finance cost (continued)

Interest income

Interest income on loans, advances, hire purchase, leasing receivables and factoring accounts is recognised in profit or loss on an accrual basis, taking into account the effective yield of the assets.

Interest income from debt securities and bank deposits

Interest income from debt securities and bank deposits are recognised as it accrues in profit or loss using the effective interest method.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs

Finance costs comprise interest expense on borrowings and are recognised in profit or loss at amortised cost using the effective interest method.

3.14 Revenue recognition

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Fee and commission income

Fee and commission income are recognised in profit or loss on an accrual basis.

Management fees

Management fees are recognised on an accrual basis.

Insurance contracts

Revenue recognition from insurance contracts is explained in note 3.10.

3.15 Government grants

Cash grants received from the government in relation to the SME Cash Grant are recognised in profit or loss upon receipt.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specified asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Tax (continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.18 Deposits relating to collateral of clients

Deposits relating to collateral of the Group's insurance subsidiary's clients are held in a fiduciary capacity on behalf of the Group's clients and are excluded from the financial statements.

3.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Segment reporting (continued)

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.21 New standards and interpretations not adopted

A number of new standards, amendments to the standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

The following new accounting standards are not yet effective but may have an impact on the Group in financial years commencing on or after 1 January 2018:

- FRS 115 `Revenue from Contracts with Customers' which modifies the determination of when to recognise revenue and how much revenue to recognise. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- FRS 109 `Financial Instruments' modifies the classification and measurement of financial assets. It includes a single, principles-based approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. It also introduces a new expected loss impairment model requiring expected losses to be recognised when financial instruments are first recognised. The new standard also modifies hedge accounting to align the accounting treatment with risk management practices of an entity.

The Group is currently in the process of determining the potential impact of adopting the above standards. These standards have not been applied in the preparation of these financial statements.

Additionally, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on the SGX will have to assess the impact of IFRS 1: First-time adoption of impact of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements, particularly the IFRS equivalent of FRS 115 and FRS 109. The Group intends for the entities within the Group to adopt the same for their respective separate financial statements for financial year ending 31 December 2018 onwards.

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land $'000	Leasehold building $'000	Freehold residential properties $'000	Freehold land & building $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Vessels $'000	Motor vehicles $'000	Total $'000
Group										
Cost										
At 1 January 2015	12,822	10,510	183	2,443	939	2,185	1,816	–	606	31,504
Additions	–	–	–	2,464	10	152	102	–	56	2,784
Reclassification	–	–	–	(1,304)	–	–	–	328	–	(976)
Disposals	–	–	–	–	–	(8)	(44)	–	(50)	(102)
Write-offs	–	–	–	–	–	(4)	(94)	–	–	(98)
Effect of movements in exchange rates	–	–	–	(41)	(28)	(36)	(40)	–	(28)	(173)
At 31 December 2015	12,822	10,510	183	3,562	921	2,289	1,740	328	584	32,939
Accumulated depreciation and impairment										
At 1 January 2015	2,588	5,944	107	969	757	2,070	1,490	–	348	14,273
Depreciation for the year	140	397	4	154	58	72	122	–	100	1,047
Impairment loss	–	–	–	–	–	–	–	328	–	328
Disposals	–	–	–	–	–	(3)	(44)	–	(50)	(97)
Write-offs	–	–	–	–	–	(5)	(92)	–	–	(97)
Effect of movements in exchange rates	–	–	–	(22)	(9)	(35)	(39)	–	(22)	(127)
At 31 December 2015	2,728	6,341	111	1,101	806	2,099	1,437	328	376	15,327
Carrying amounts										
At 1 January 2015	10,234	4,566	76	1,474	182	115	326	–	258	17,231
At 31 December 2015	10,094	4,169	72	2,461	115	190	303	–	208	17,612

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land $'000	Leasehold building $'000	Freehold residential properties $'000	Freehold land & building $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Group									
Cost									
At 1 January 2014	12,822	10,510	183	2,377	787	2,150	1,808	485	31,122
Additions	–	–	–	–	219	51	157	134	561
Disposals	–	–	–	–	–	(23)	(169)	(22)	(214)
Write-offs	–	–	–	–	(68)	(45)	(4)	–	(117)
Effect of movements in exchange rates	–	–	–	66	1	52	24	9	152
At 31 December 2014	12,822	10,510	183	2,443	939	2,185	1,816	606	31,504
Accumulated depreciation									
At 1 January 2014	2,448	5,547	104	869	755	1,959	1,531	270	13,483
Depreciation for the year	140	397	3	69	53	122	108	95	987
Disposals	–	–	–	–	–	(17)	(169)	(22)	(208)
Write-offs	–	–	–	–	(50)	(44)	(3)	–	(97)
Effect of movements in exchange rates	–	–	–	31	(1)	50	23	5	108
At 31 December 2014	2,588	5,944	107	969	757	2,070	1,490	348	14,273
Carrying amounts									
At 1 January 2014	10,374	4,963	79	1,508	32	191	277	215	17,639
At 31 December 2014	10,234	4,566	76	1,474	182	115	326	258	17,231

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land $'000	Leasehold building $'000	Freehold residential properties $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Company								
Cost								
At 1 January 2015	12,822	10,510	183	619	1,067	509	17	25,727
Additions	–	–	–	–	4	6	–	10
Disposals	–	–	–	–	–	(7)	–	(7)
Write-offs	–	–	–	–	(4)	(47)	–	(51)
At 31 December 2015	12,822	10,510	183	619	1,067	461	17	25,679
Accumulated depreciation								
At 1 January 2015	2,588	5,944	107	615	1,035	319	8	10,616
Depreciation for the year	140	397	4	2	16	67	3	629
Disposals	–	–	–	–	–	(7)	–	(7)
Write-offs	–	–	–	–	(4)	(46)	–	(50)
At 31 December 2015	2,728	6,341	111	617	1,047	333	11	11,188
Carrying amounts								
At 1 January 2015	10,234	4,566	76	4	32	190	9	15,111
At 31 December 2015	10,094	4,169	72	2	20	128	6	14,491

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land $'000	Leasehold building $'000	Freehold residential properties $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Company								
Cost								
At 1 January 2014	12,822	10,510	183	619	1,070	621	17	25,842
Additions	–	–	–	–	2	53	–	55
Disposals	–	–	–	–	(2)	(165)	–	(167)
Write-offs	–	–	–	–	(3)	–	–	(3)
At 31 December 2014	12,822	10,510	183	619	1,067	509	17	25,727
Accumulated depreciation								
At 1 January 2014	2,448	5,547	104	613	1,025	416	4	10,157
Depreciation for the year	140	397	3	2	15	68	4	629
Disposals	–	–	–	–	(2)	(165)	–	(167)
Write-offs	–	–	–	–	(3)	–	–	(3)
At 31 December 2014	2,588	5,944	107	615	1,035	319	8	10,616
Carrying amounts								
At 1 January 2014	10,374	4,963	79	6	45	205	13	15,685
At 31 December 2014	10,234	4,566	76	4	32	190	9	15,111

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group and Company's properties consist of the following:

Location	Title	Description of properties
7 Temasek Boulevard #10-01 Singapore 038987	Leasehold (99 years from 1995)	Offices Floor area: 14,381 sq ft
#14-06 Seaview Tower, Ocean Palms Klebang Besar, Malacca, Malaysia	Freehold	Residential apartment
1168/55 Lumpini Tower #20-00, 1168/73 Lumpini Tower #25-00 Rama IV Road, Thungmahamek, Sathorn, Bangkok, Thailand	Freehold	2 units – Offices Floor area: 11,492 sq ft Floor area: 5,410 sq ft

5 INTANGIBLE ASSETS

	Computer software $'000	Customer lists $'000	Membership rights $'000	Copyrights $'000	Total $'000
Group					
Cost					
At 1 January 2015	**3,485**	**1,131**	**23**	**1,180**	**5,819**
Additions	536	–	–	–	536
Disposals	–	–	–	–	–
Write-offs	–	–	–	–	–
Effect of movements in exchange rates	(58)	–	(1)	–	(59)
At 31 December 2015	**3,963**	**1,131**	**22**	**1,180**	**6,296**
Accumulated amortisation and impairment					
At 1 January 2015	**2,849**	**1,131**	**17**	**1,180**	**5,177**
Amortisation charge for the year	400	–	–	–	400
Disposals	–	–	–	–	–
Write-offs	–	–	–	–	–
Effect of movements in exchange rates	(56)	–	(1)	–	(57)
At 31 December 2015	**3,193**	**1,131**	**16**	**1,180**	**5,520**
Carrying amounts					
At 1 January 2015	**636**	**–**	**6**	**–**	**642**
At 31 December 2015	**770**	**–**	**6**	**–**	**776**

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

5 INTANGIBLE ASSETS (CONTINUED)

	Computer software $'000	Customer lists $'000	Membership rights $'000	Copyrights $'000	Total $'000
Group					
Cost					
At 1 January 2014	3,167	1,131	22	1,180	5,500
Additions	609	–	–	–	609
Disposals	(1)	–	–	–	(1)
Write-offs	(289)	–	–	–	(289)
Effect of movements in exchange rates	(1)	–	1	–	–
At 31 December 2014	3,485	1,131	23	1,180	5,819
Accumulated amortisation and impairment					
At 1 January 2014	2,882	1,073	17	1,180	5,152
Amortisation charge for the year	258	57	–	–	315
Disposals	(1)	–	–	–	(1)
Write-offs	(289)	–	–	–	(289)
Effect of movements in exchange rates	(1)	1	–	–	–
At 31 December 2014	2,849	1,131	17	1,180	5,177
Carrying amounts					
At 1 January 2014	285	58	5	–	348
At 31 December 2014	636	–	6	–	642
Company					
Cost					
At 1 January 2015	**1,363**	**–**	**–**	**–**	**1,363**
Additions	**51**	**–**	**–**	**–**	**51**
Write-offs	**–**	**–**	**–**	**–**	**–**
At 31 December 2015	**1,414**	**–**	**–**	**–**	**1,414**
Accumulated amortisation					
At 1 January 2015	**1,179**	**–**	**–**	**–**	**1,179**
Amortisation charge for the year	**116**	**–**	**–**	**–**	**116**
Write-offs	**–**	**–**	**–**	**–**	**–**
At 31 December 2015	**1,295**	**–**	**–**	**–**	**1,295**
Carrying amounts					
At 1 January 2015	**184**	**–**	**–**	**–**	**184**
At 31 December 2015	**119**	**–**	**–**	**–**	**119**

5 INTANGIBLE ASSETS (CONTINUED)

	Computer software $'000	Total $'000
Company		
Cost		
At 1 January 2014	1,521	1,521
Additions	128	128
Write-off	(286)	(286)
At 31 December 2014	1,363	1,363
Accumulated amortisation		
At 1 January 2014	1,345	1,345
Amortisation charge for the year	120	120
Write-off	(286)	(286)
At 31 December 2014	1,179	1,179
Carrying amounts		
At 1 January 2014	176	176
At 31 December 2014	184	184

The amortisation charge for the year is included in "General and administrative expenses" in the consolidated statement of profit or loss.

6 INVESTMENT PROPERTY

	Group 2015 $'000
Cost	
At 1 January 2015	–
Transferred from property, plant and equipment	1,304
Effect of movements in exchange rates	–
At 31 December 2015	1,304
Accumulated depreciation and impairment losses	
At 1 January 2015	–
Depreciation for the year	47
Effect of movements in exchange rates	(1)
At 31 December 2015	46
Carrying amount	
At 1 January 2015	–
At 31 December 2015	1,258
Fair value	
At 1 January 2015	–
At 31 December 2015	1,258

6 INVESTMENT PROPERTY (CONTINUED)

The Group's investment property consists of the following:

Location	Title	Description of properties
1168/73 Lumpini Tower #25-00 Rama IV Road, Thungmahamek, Sathorn, Bangkok, Thailand	Freehold	Office Floor area: 6,082 sq ft

Reclassification from property, plant and equipment

Subsequent to the acquisition of the above property during the year, the Group entered into an operating lease agreement with a third party corporation for unused space within the above property and reclassified it from property, plant and equipment to investment property. Lease period for the agreement is 3 years.

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Company uses market observable 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 in 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 date (unobservable inputs)

The table below analyses non-financial asset not carried at fair value for which fair value is disclosed.

	Level 3 $'000
31 December 2015	
Investment property	1,258

7 SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Quoted ordinary shares, at cost	7,898	7,898
Unquoted ordinary shares, at cost	70,781	70,781
	78,679	78,679
Allowance for impairment loss	(5,092)	(2,834)
	73,587	75,845

7 SUBSIDIARIES (CONTINUED)

The movements in the allowance for impairment loss against subsidiaries are as follows:

	Company	
	2015	2014
	$'000	$'000
At 1 January	2,834	976
Impairment loss recognised	2,258	1,858
At 31 December	5,092	2,834

Details of the subsidiaries are as follows:

Company name	Country of incorporation	Proportion of ownership interest at beginning and end of the year		
Direct and indirect subsidiaries		Group's effective interest %	Held by Company %	Held by Subsidiary %
(a) IFS Capital Assets Private Limited	Singapore	100	100	–
IFS Ventures Private Limited	Singapore	100	–	100
IFS Ventures 2 Limited	Singapore	100	25	75
IFS Capital Intellectual Property Private Limited	Singapore	100	–	100
(b) ECICS Limited	Singapore	100	100	–
(c) IFS Capital (Malaysia) Sdn. Bhd.	Malaysia	70+	70+	–
IFS Factors (Malaysia) Sdn. Bhd.	Malaysia	30+	–	30+*
(d) PT. IFS Capital Indonesia	Indonesia	85	85	–
(e) IFS Capital (Hong Kong) Limited	Hong Kong	100	100	–
(f) IFS Capital Holdings (Thailand) Limited	Thailand	100	100	–
(g) IFS Capital (Thailand) Public Company Limited	Thailand	73.1	36.5	36.6

+ Consolidation is prepared based on 100% beneficial interest.

* Although the Group owns less than half of the voting power of IFS Factors (Malaysia) Sdn. Bhd. ("IFS Factors"), the Group has power over IFS Factors' exposure or rights to variable returns from its involvement with IFS Factors and ability to use its power to affect those returns. Consequently, the Group consolidates the results of IFS Factors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

7 SUBSIDIARIES (CONTINUED)

The principal activities of the subsidiaries are as follows:

	Name of subsidiaries	Principal activities
1	IFS Capital Assets Private Limited	Working capital, asset-based financing, venture capital investments and private equity investments
1	IFS Ventures Private Limited	Venture capital investments
1	IFS Ventures 2 Limited	Venture capital investments
1	IFS Capital Intellectual Property Private Limited	Investment holding
1	ECICS Limited	Direct general insurer, guarantee, bond, political risks, contractors' all risks, and work injury compensation insurance and underwriting business
2	IFS Capital (Malaysia) Sdn. Bhd.	Hire purchase financing, business debt factoring and provision of other related services
2	IFS Factors (Malaysia) Sdn. Bhd.	Hire purchase financing, business debt factoring, provision of other related services, focusing on government related projects
2	PT. IFS Capital Indonesia	Factoring of onshore and offshore short-term trade receivables, direct financing, operating leases and consumer financing
3	IFS Capital (Hong Kong) Limited	Dormant
4	IFS Capital Holdings (Thailand) Limited	Investment holding
4	IFS Capital (Thailand) Public Company Limited	Factoring, hire purchase and leasing businesses

1 Audited by KPMG LLP Singapore
2 Audited by other member firms of KPMG International
3 Audited by Peter W.H. Ma & Co., Hong Kong
4 Audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd., Thailand

KPMG LLP Singapore is the auditor of all Singapore-incorporated subsidiaries of the Group. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries except for IFS Capital (Thailand) Public Company Limited which is audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd., Thailand. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

The Company complies with SGX-ST listing rule 716 as the Board and Audit Committee are satisfied that the appointment of different auditors for its listed significant Thailand-incorporated subsidiary would not compromise the standard and effectiveness of the Company's audit.

8 LOANS TO SUBSIDIARIES

	Note	Company 2015 $'000	Company 2014 $'000
Trade		41,142	31,054
Non-trade		274	312
		41,416	31,366
Allowance for impairment		(1,660)	(1,605)
		39,756	29,761
Due within 12 months	15	33,141	29,761
Due after 12 months		6,615	–
		39,756	29,761

The movements in the allowance for impairment of loan owing by a subsidiary (trade) during the year are as follows:

	Company 2015 $'000	Company 2014 $'000
At 1 January	1,605	1,582
Allowance made during the year	55	23
At 31 December	1,660	1,605

The loans owing by subsidiaries (trade) are unsecured and interest-bearing. The loans owing by subsidiaries (non-trade) are unsecured and non-interest bearing.

Effective interest rates and repricing analysis:

	Weighted average effective interest rate %	Total 2015 $'000	Weighted average effective interest rate %	Total 2014 $'000
Company				
Loans owing by subsidiaries				
– variable rate	4.0	39,482	3.3	29,449
– non-interest bearing	–	274	–	312
		39,756		29,761

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9 OTHER INVESTMENTS

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Non-current investments					
Held-to-maturity financial assets					
– Debt securities	(a)	23,660	24,930	–	–
Available-for-sale financial assets					
– Quoted and unquoted equity securities		14,406	14,405	5,316	4,339
– Convertible loans	(b)	19,273	14,810	3,341	3,264
		57,339	54,145	8,657	7,603
Allowance for impairment loss		(5,441)	(5,441)	(603)	(603)
		51,898	48,704	8,054	7,000
Current investments					
Held-to-maturity financial assets					
– Debt securities	(a)	8,740	10,045	–	–
Held-for-trading financial assets					
– Equity securities		11,958	14,749	390	–
		20,698	24,794	390	–
Total		72,596	73,498	8,444	7,000

(a) Held-to-maturity debt securities have interest rates of 1.0% to 5.6% (2014: 1.0% to 5.6%) per annum and mature in 1 to 5 years (2014: 1 to 5 years).

(b) The convertible loans contain embedded equity conversion options. They are non-interest bearing and expected to mature between 2016 and 2020 (2014: 2016 and 2018).

The maximum credit exposure to credit risk of the investments at the reporting date is the carrying amount.

Information about the Group's and Company's exposures to credit and market risk and fair value measurement is included in note 42.

The movements in the allowance for impairment of investments during the year are as follows:

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
At 1 January		5,441	5,399	603	–
Allowance made during the year	36	–	986	–	603
Allowance utilised during the year		–	(944)	–	–
At 31 December		5,441	5,441	603	603

9 OTHER INVESTMENTS (CONTINUED)

The weighted average effective interest rates per annum of debt securities at the reporting date and the periods in which they mature are as follows:

Effective interest rates and repricing analysis:

	Weighted average effective interest rate %	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
Group				
2015				
Held-to-maturity debt securities	**2.7**	**8,740**	**23,660**	**32,400**
2014				
Held-to-maturity debt securities	2.8	10,045	24,930	34,975

10 LOANS, ADVANCES, HIRE PURCHASE AND LEASING RECEIVABLES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Hire purchase and leasing receivables	11	**23,074**	28,629	**4,042**	1,611
Less: Deposits on leasing receivables		**(6,401)**	(8,248)	**–**	–
		16,673	20,381	**4,042**	1,611
Loans and advances		**119,654**	130,880	**99,437**	114,386
		136,327	151,261	**103,479**	115,997
Allowance for impairment of doubtful receivables					
– hire purchase receivables		**(80)**	(34)	**(79)**	(31)
– leasing receivables		**(2,471)**	(1,576)	**–**	–
– loans and advances		**(22,379)**	(19,445)	**(14,181)**	(11,513)
		(24,930)	(21,055)	**(14,260)**	(11,544)
	42	**111,397**	130,206	**89,219**	104,453
Due within 12 months	15	**73,206**	81,421	**56,412**	63,970
Due after 12 months		**38,191**	48,785	**32,807**	40,483
		111,397	130,206	**89,219**	104,453

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10 LOANS, ADVANCES, HIRE PURCHASE AND LEASING RECEIVABLES (CONTINUED)

The movements in the allowance for impairment of loans, advances, hire purchase and leasing receivables during the year are as follows:

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
At 1 January		21,055	19,678	11,544	12,454
Translation adjustment		(891)	(91)	–	–
Allowance made during the year	36	7,293	8,057	5,243	3,235
Allowance utilised during the year		(2,527)	(6,589)	(2,527)	(4,145)
At 31 December		24,930	21,055	14,260	11,544

Effective interest rates and repricing analysis:

	Weighted average effective interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
Group					
2015					
Loans, advances, hire purchase and leasing receivables					
– fixed rate	6.6	–	6,664	9,244	15,908
– variable rate	7.4	95,489	–	–	95,489
		95,489	6,664	9,244	111,397
2014					
Loans, advances, hire purchase and leasing receivables					
– fixed rate	9.0	–	5,089	6,448	11,537
– variable rate	7.8	118,669	–	–	118,669
		118,669	5,089	6,448	130,206
Company					
2015					
Loans, advances, hire purchase and leasing receivables					
– fixed rate	4.6	–	2,342	8,709	11,051
– variable rate	6.9	78,168	–	–	78,168
		78,168	2,342	8,709	89,219
2014					
Loans, advances, hire purchase and leasing receivables					
– fixed rate	4.7	–	1,611	4,111	5,722
– variable rate	7.3	98,731	–	–	98,731
		98,731	1,611	4,111	104,453

Variable rate loans and advances are repriced at intervals of three or six months.

The above loans, advances, hire purchase and leasing receivables are reflected net of allowance for impairment of doubtful receivables.

11 HIRE PURCHASE AND LEASING RECEIVABLES

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Gross receivables		24,200	30,221	4,042	1,611
Unearned income		(1,126)	(1,592)	–	–
	10	23,074	28,629	4,042	1,611
Within 1 year		11,498	14,159	1,606	1,066
After 1 year but within 5 years		11,576	14,470	2,436	545
		23,074	28,629	4,042	1,611

12 DEFERRED TAX ASSETS AND LIABILITIES

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in respective countries in which certain subsidiaries operate. The deductible temporary differences do not expire under current tax legislation.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Group				
Loans, advances, hire purchase and leasing receivables	(1,030)	(2,047)	–	–
Factoring receivables	(930)	(648)	–	–
Other investments	–	–	–	–
Others	(4,631)	(5,057)	–	–
Property, plant and equipment	–	–	162	156
Trade and other payables	–	–	6	6
Defined benefit plan	–	–	34	–
Other investments	–	–	716	758
Deferred tax (assets)/liabilities	(6,591)	(7,752)	918	920
Set off of tax	731	920	(731)	(920)
Net deferred tax (assets)/liabilities	(5,860)	(6,832)	187	–
Company				
Loans, advances, hire purchase and leasing receivables	(7)	(10)	–	–
Other investments	–	–	183	176
Others	(930)	(466)	–	–
Property, plant and equipment	–	–	46	70
Deferred tax (assets)/liabilities	(937)	(476)	229	246
Set off of tax	229	246	(229)	(246)
Net deferred tax (assets)	(708)	(230)	–	–

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12 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The movements in the temporary differences during the year are as follows:

	Balance as at 1/1/2015 $'000	Recognised in profit or loss (Note 38) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	Balance as at 31/12/2015 $'000
Group					
Deferred tax liabilities					
Property, plant and equipment	156	6	–	–	162
Trade and other payables	6	–	–	–	6
Defined benefit plan	–	(4)	46	(8)	34
Other investments	758	–	(42)	–	716
	920	2	(4)	(8)	918
Deferred tax assets					
Loans, advances, hire purchase and leasing receivables	(2,047)	965	–	52	(1,030)
Factoring receivables	(648)	(302)	–	20	(930)
Others	(5,057)	45	–	381	(4,631)
	(7,752)	708	–	453	(6,591)
Net deferred tax (assets)	(6,832)	710	4	445	(5,673)

	Balance as at 1/1/2014 $'000	Recognised in profit or loss (Note 38) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	Balance as at 31/12/2014 $'000
Group					
Deferred tax liabilities					
Property, plant and equipment	114	42	–	–	156
Trade and other payables	6	–	–	–	6
Dividend not remitted to Singapore	114	(114)	–	–	–
Other investments	321	–	437	–	758
	555	(72)	437	–	920
Deferred tax assets					
Loans, advances, hire purchase and leasing receivables	(1,344)	(654)	–	(49)	(2,047)
Factoring receivables	(890)	276	–	(34)	(648)
Other investments	(12)	–	12	–	–
Others	(2,838)	(2,276)	–	57	(5,057)
	(5,084)	(2,654)	12	(26)	(7,752)
Net deferred tax (assets)/liabilities	(4,529)	(2,726)	449	(26)	(6,832)

12 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The movements in the temporary differences during the year are as follows:

	Balance as at 1/1/2015 $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Balance as at 31/12/2015 $'000
Company				
Deferred tax liabilities				
Property, plant and equipment	70	(24)	–	46
Other investments	176	–	7	183
	246	(24)	7	229
Deferred tax assets				
Loans, advances, hire purchase and leasing receivables	(10)	3	–	(7)
Other – losses	(466)	(464)	–	(930)
	(476)	(461)	–	(937)
Net deferred tax (assets)	(230)	(485)	7	(708)

	Balance as at 1/1/2014 $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Balance as at 31/12/2014 $'000
Company				
Deferred tax liabilities				
Property, plant and equipment	71	(1)	–	70
Other investments	304	–	(128)	176
	375	(1)	(128)	246
Deferred tax assets				
Loans, advances, hire purchase and leasing receivables	(14)	4	–	(10)
Other – losses	(397)	(69)	–	(466)
	(411)	(65)	–	(476)
Net deferred tax (assets)	(36)	(66)	(128)	(230)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2015 $'000	Group 2014 $'000
Tax losses	16,383	–
	16,383	–

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

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13 INSURANCE CONTRACT PROVISIONS

	2015			2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Provision for unexpired risks	11,661	(5,472)	6,189	13,512	(7,593)	5,919
Provision for claims	23,484	(15,259)	8,225	16,905	(11,517)	5,388
	35,145	(20,731)	14,414	30,417	(19,110)	11,307

Analysis of movements in provision for unexpired risks

	2015			2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
At 1 January	13,512	(7,593)	5,919	15,898	(9,609)	6,289
Premium written	8,050	(3,291)	4,759	8,083	(4,522)	3,561
Premium earned	(9,901)	5,412	(4,489)	(10,469)	6,538	(3,931)
At 31 December	11,661	(5,472)	6,189	13,512	(7,593)	5,919

Analysis of movements in provision for insurance claims

	2015			2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
At 1 January	16,905	(11,517)	5,388	4,875	(3,180)	1,695
Claims (paid)/ recovered	(1,882)	1,114	(768)	(4,735)	3,252	(1,483)
Claims incurred/ (reversed)	8,461	(4,856)	3,605	16,765	(11,589)	5,176
At 31 December	23,484	(15,259)	8,225	16,905	(11,517)	5,388

Analysis of the estimated timing of cash outflows (undiscounted) relating to provision for insurance claims

	Group	
	2015	2014
	$'000	$'000
Less than 1 year	8,090	5,338
Between 1-2 years	135	50
Over 2 years	–	–
	8,225	5,388

14 INSURANCE RECEIVABLES

	Group	
	2015	2014
	$'000	$'000
Receivables arising from insurance contracts	1,383	1,217
Reinsurance contract receivables	747	12
	2,130	1,229
Allowance for doubtful receivables	(24)	(177)
	2,106	1,052

Insurance receivables are non-interest bearing.

The maximum credit exposure to credit risk of insurance receivables at the reporting date is the carrying amount.

The movements in the allowance for impairment of doubtful receivables during the year are as follows:

		Group	
		2015	2014
	Note	$'000	$'000
At 1 January		177	250
Allowance reversed during the year	36	(153)	(73)
At 31 December		24	177

15 TRADE AND OTHER RECEIVABLES

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Loans, advances, hire purchase and leasing receivables	10	73,206	81,421	56,412	63,970
Factoring receivables	16	125,374	128,590	12,122	10,772
Amount owing by non-controlling shareholders		96	96	2,487	2,487
Amount owing by subsidiaries	8	–	–	33,141	29,761
Deposits and other receivables	17	1,158	1,827	20	27
Loans and receivables		199,834	211,934	104,182	107,017
Prepayment		530	811	175	229
		200,364	212,745	104,357	107,246

The amount owing by non-controlling shareholders is unsecured and interest-free. The loans owing by subsidiaries (trade) are unsecured and interest-bearing. The loans owing by subsidiaries (non-trade) are unsecured and non-interest bearing.

Group

Effective interest rates and repricing analysis for loans, advances, hire purchase and leasing receivables and factoring receivables are as set out in Notes 10 and 16 respectively.

NOTES TO THE FINANCIAL STATEMENTS
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16 FACTORING RECEIVABLES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Factoring receivables	42	190,310	185,980	28,182	19,718
Less:					
Factoring amounts owing to clients		(44,997)	(41,677)	(15,198)	(8,049)
		145,313	144,303	12,984	11,669
Allowance for doubtful receivables		(19,939)	(15,713)	(862)	(897)
	15	125,374	128,590	12,122	10,772

The movements in the allowance for impairment of factoring receivables during the year are as follows:

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
At 1 January		15,713	10,277	897	804
Translation adjustment		(1,634)	(70)	–	–
Allowance made during the year	36	11,031	6,696	277	93
Allowance utilised during the year		(5,171)	(1,190)	(312)	–
At 31 December		19,939	15,713	862	897

The weighted average interest rates of factoring receivables net of factoring amounts owing to clients included in Trade and other payables of $1,336,265 for the Group and Company (2014: Group and Company: $815,514) (refer to note 27) and allowance for doubtful receivables at the reporting date and the periods in which they reprice are as follows:

	Weighted average effective interest rate %	Total 2015 $'000	Weighted average effective interest rate %	Total 2014 $'000
Group				
Factoring receivables, net				
– fixed rate	5.0	19	5.0	43
– variable rate	9.3	124,019	9.8	127,731
		124,038		127,774
Company				
Factoring receivables, net				
– fixed rate	5.0	19	5.0	34
– variable rate	8.3	10,767	7.5	9,922
		10,786		9,956

17 DEPOSITS AND OTHER RECEIVABLES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Deposits		54	53	6	5
Tax recoverable		587	691	–	–
Accrued interest receivable		285	340	–	–
Other receivables:					
Gross receivables		2,984	3,029	281	350
Allowance for doubtful receivables		(2,752)	(2,286)	(267)	(328)
Other receivables, net		232	743	14	22
	15	1,158	1,827	20	27

The movements in the allowance for doubtful receivables during the year are as follows:

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
At 1 January		2,286	2,392	328	432
Allowance made/ (reversed) during the year	36	613	(48)	86	(48)
Allowance utilised during the year		(147)	(58)	(147)	(56)
At 31 December		2,752	2,286	267	328

18 DERIVATIVE FINANCIAL ASSETS/(LIABILITY)

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Derivative financial assets					
Held-for-Trading					
– Warrants	(a)	10	100	10	100
– Embedded derivative	(b)	–	90	–	90
Foreign exchange derivative					
– Forward contract	(c)	323	–	–	–
		333	190	10	190
Derivative financial liability					
Foreign exchange derivative					
– Forward contract	(c)	(21)	–	–	–

(a) The table below shows an analysis of exchange-traded warrants outstanding at 31 December.

	Group and Company Fair value 2015 $'000	Notional amount 2015 $'000	Fair value 2014 $'000	Notional amount 2014 $'000
Exchange-traded warrants	10	250	100	250

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18 DERIVATIVE FINANCIAL ASSETS/(LIABILITY) (CONTINUED)

(b) The embedded derivative relates to a redeemable convertible loan which was converted into shares upon listing at the SGX-ST in April 2015.

(c) Foreign exchange derivative

During the year, the subsidiary in Malaysia entered into foreign exchange forward contracts between Singapore Dollar and Malaysian Ringgit. The fair values of these foreign exchange forward contracts amounted to $323,000 reflected as derivative asset and $21,000 reflected as derivative liability.

	Group and Company			
	Fair value 2015 $'000	Notional amount 2015 $'000	Fair value 2014 $'000	Notional amount 2014 $'000
Forward contracts – asset	5,093	4,770	–	–
Forward contracts – liability	(1,571)	(1,592)	–	–

19 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash at banks and in hand	11,757	9,732	1,268	1,336
Fixed deposits	21,894	14,281	10,076	6,174
Cash and cash equivalents in the consolidated statement of cash flows	33,651	24,013	11,344	7,510

Effective interest rates and repricing analysis:

	Weighted average effective interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Non-interest bearing $'000	Total $'000
Group					
2015					
Cash at banks and in hand	0.4	8,201	–	3,556	11,757
Fixed deposits	1.4	–	21,894	–	21,894
		8,201	21,894	3,556	33,651
2014					
Cash at banks and in hand	0.5	6,953	–	2,779	9,732
Fixed deposits	0.8	–	14,281	–	14,281
		6,953	14,281	2,779	24,013

19 CASH AND CASH EQUIVALENTS (CONTINUED)

Effective interest rates and repricing analysis: (continued)

	Weighted average effective interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Non-interest bearing $'000	Total $'000
Company					
2015					
Cash at banks and in hand	–	–	–	1,268	1,268
Fixed deposits	1.5	–	10,076	–	10,076
		–	10,076	1,268	11,344
2014					
Cash at banks and in hand	–	–	–	1,336	1,336
Fixed deposits	0.9	–	6,174	–	6,174
		–	6,174	1,336	7,510

20 ASSETS HELD FOR SALE

The assets held for sale in relation to repossessed vessels under the Group's subsidiary in Indonesia were reclassified as property, plant and equipment as these assets were no longer available for immediate sale in their present condition.

21 DEPOSITS RELATING TO COLLATERAL OF CLIENTS

The Group's has clients' monies placed as fixed deposits of $9,867,027 (2014: $9,655,444) held as collaterals for guarantees issued on behalf of policyholders. The fair values of the cash collateral as at reporting dates approximate their carrying amounts. These amounts have been excluded from both cash at bank and other payables in the statement of financial position.

22 SHARE CAPITAL

	Group and Company Number of shares 2015	2014
Fully paid ordinary shares, with no par value		
At 1 January and 31 December	**150,387,866**	150,387,866

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

22 SHARE CAPITAL (CONTINUED)

Capital management

Except for one of its subsidiaries, the Group is not regulated by externally imposed capital requirements. However, the capital of this regulated insurance subsidiary is separately managed to comply with the insurance capital requirements required by the local regulator.

The minimum paid up share capital required for the insurance business imposed on the regulated subsidiary as stipulated by the local regulator is $25 million. The regulated subsidiary has to comply with the Risk Based Capital Adequacy Requirement ("CAR") as prescribed by the Monetary Authority of Singapore ("MAS") (subject to the financial resource of the subsidiary not being less than $5 million). Although the MAS prescribed financial warning event for the CAR, the regulated subsidiary has set two higher internal trigger limits for monitoring the CAR. In the event of any breaches of the internal trigger limits, the Board has prescribed certain courses of action for the management to undertake to bring the CAR level to above the prescribed minimum levels. The regulated subsidiary is in compliance with all externally imposed capital requirements during the year.

The regulated subsidiary manages and ensures adequacy of its capital resources requirement in accordance with the computation of risk charge on insurance risk, investment risks and interest rate sensitivity and foreign currency mismatch between assets and liabilities and concentration risks as stipulated under the Insurance (Valuation and Capital) Regulations of the Insurance Acts (Chapter 142). In addition, stress tests are conducted to understand the sensitivity of the key assumptions in the regulated subsidiary's capital to the effects of plausible stress scenarios and evaluate how the regulated subsidiary can continue to maintain adequate capital under such scenarios.

The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business as well as to ensure that the minimum required capital of its regulated subsidiary is maintained at all times. Capital consists of total equity.

The Board of Directors monitors the return on equity, which the Group defines as profit after tax divided by total average shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the leverage ratio as well as the level of dividends to ordinary shareholders. The leverage ratio is defined as total consolidated liabilities divided by the total consolidated tangible net assets.

As part of the annual corporate planning process, the Group projects the capital and funding requirements for the Board's approval.

The Group's strategy is to maintain a leverage ratio of less than 5.5 times and dividend distribution of at least 30% of the earnings each year.

There were no changes to the Group's approach to capital management during the year.

23 OTHER RESERVES

The other reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Capital reserve	1,534	1,457	–	–
Other equity	(1,496)	(1,496)	–	–
	38	(39)	–	–
Translation reserve	(8,350)	(7,262)	–	–
Fair value reserve	3,494	3,702	894	863
	(4,818)	(3,599)	894	863

Capital reserve

The capital reserve relates to the statutory legal reserve transferred from revenue reserve in accordance with the foreign jurisdiction in which one of the Group's subsidiaries operates.

Other equity

As in prior years, the other equity represents the effect of 25.07% dilution from 98.2% to 73.13% of the Group's shareholding interest in IFS Capital (Thailand) Public Company Limited following its initial public offer of 120 million new shares at offer price of THB1.35 per share on 5 August 2010. As the change in the Group's percentage does not result in a loss of control, the effect of dilution as computed was recognised directly in equity.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the functional currency of the Company.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised.

Dividends

The following tax-exempt (one-tier) dividends were declared and paid by the Group and Company:

For the year ended 31 December

	Group and Company	
	2015	2014
	$'000	$'000
Final one-tier tax exempt dividend of 1.50 cents (2014: 2.0 cents) per share in respect of year 2014/2013	2,256	3,008

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YEAR ENDED 31 DECEMBER 2015

23 OTHER RESERVES (CONTINUED)

Dividends (continued)

After the respective reporting dates, the following dividend was proposed by the directors. The dividend has not been provided for and there is no income tax consequence.

	Group and Company	
	2015	2014
	$'000	$'000
First and final one-tier tax exempt dividend of Nil (2014: 1.5 cents) per share in respect of year 2015/2014	–	2,256

Due to the losses incurred by the Group and the Company for the financial year ended 31 December 2015, no dividend was proposed for the said financial year.

24 NON-CONTROLLING INTERESTS

The following subsidiary has material non-controlling interests

Company name	Principal Place of business/Country of incorporation	Operating segment	Ownership interests held by non-controlling interests	
			2015	2014
IFS Capital (Thailand) Public Company Limited	Thailand	Factoring, hire purchase and leasing	**26.9%**	26.9%

The following summarises the financial information for IFS Capital (Thailand) Public Company Limited, prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations.

	2015	2014
	$'000	$'000
Revenue	**14,349**	14,551
Profit	**4,736**	5,086
Profit attributable to non-controlling interests	**1,273**	1,367
Other comprehensive income	–	–
Total comprehensive income	**4,736**	5,086
Total comprehensive income attributable to non-controlling interests	**1,273**	1,367
Current assets	**124,189**	121,326
Non-current assets	**10,809**	9,490
Current liabilities	**(87,192)**	(77,049)
Non-current liabilities	**(5,125)**	(12,004)
Net assets	**42,681**	41,763
Net assets attributable to non-controlling interests	**11,468**	11,221
Cash flows from operating activities	**1,599**	16,390
Cash used in investing activities	**(2,850)**	(154)
Cash from/(used in) financing activities	**3,393**	(21,616)
Net increase/(decrease) in cash and cash equivalents	**2,142**	(5,380)
Dividends paid to non-controlling interests during the year*	**753**	660

* Included in cash flows from/(used in) financing activities

25 INTEREST-BEARING BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Payable:				
Within 12 months	**210,735**	182,419	**120,063**	96,173
Between one and five years	**23,200**	46,683	**19,145**	35,610
	233,935	229,102	**139,208**	131,783

The interest-bearing borrowings comprise:

		2015		2014	
		Face value	Carrying amount	Face value	Carrying amount
	Note	$'000	$'000	$'000	$'000
Group					
Unsecured short-term bank loans	(a)	**194,231**	**194,231**	161,480	161,480
Unsecured long-term bank loans	(b)	**34,464**	**34,464**	62,249	62,249
Unsecured SPRING and IES loans	(c)	**5,240**	**5,240**	5,373	5,373
		233,935	**233,935**	229,102	229,102
Company					
Unsecured short-term bank loans	(a)	**110,302**	**110,302**	83,243	83,243
Unsecured long-term bank loans	(b)	**23,666**	**23,666**	43,167	43,167
Unsecured SPRING and IES loans	(c)	**5,240**	**5,240**	5,373	5,373
		139,208	**139,208**	131,783	131,783

(a) Unsecured short-term bank loans bear nominal interest rates ranging from 1.8% to 14.1% (2014: 1.5% to 12.4%) per annum and are repayable in 2016. For the Group, these include subsidiaries' bank loans denominated in Malaysian Ringgit, Indonesian Rupiah and Thai Baht.

(b) The unsecured long-term bank loans bear nominal interest rates ranging from 2.7% to 4.4% (2014: 2.1% to 4.6%) per annum and are repayable by quarterly/semi-annual/bullet repayments in 2016 to 2019. For the Group, these include subsidiaries' bank loans denominated in Thai Baht.

(c) These represent unsecured advances from SPRING Singapore and International Enterprise Singapore ("IES") to fund loans and advances extended by the Company to borrowers under the Local Enterprise Finance Scheme ("LEFS") and Internationalisation Finance Scheme ("IF Scheme") respectively. Credit risk for loans and advances made under these schemes are shared by the providers of these borrowings and the Company.

The interest rates and repayment periods vary in accordance with the type, purpose and security for the facilities granted under the above schemes. Nominal interest rates on the above loans and advances ranged from 2.0% to 5.4% (2014: 2.0% to 5.4%) per annum and are repayable between 2016 and 2019 (2014: between 2015 and 2018).

(d) In 2003, the Company established a $250 million Multi-currency Medium Term Note Programme (the "MTN Programme"). Pursuant to this, the Company may from time to time issue debt under the Programme subject to availability of funds from the market. There were no notes issued under this programme in 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

25 INTEREST-BEARING BORROWINGS (CONTINUED)

Intra-group financial guarantee

Intra-group financial guarantee comprises a guarantee granted by the Company to banks in respect of banking facilities amounting to $8,353,303 (2014: $16,252,261) granted to subsidiaries. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

Effective interest rates and repricing analysis:

	Weighted average effective interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
Group					
2015					
Unsecured short-term bank loans	2.9	194,231	–	–	194,231
Unsecured long-term bank loans	3.3	34,464	–	–	34,464
Unsecured SPRING and IES loans	2.4	–	428	4,812	5,240
		228,695	428	4,812	233,935
2014					
Unsecured short-term bank loans	2.8	161,480	–	–	161,480
Unsecured long-term bank loans	3.1	62,249	–	–	62,249
Unsecured SPRING and IES loans	2.5	–	1,264	4,109	5,373
		223,729	1,264	4,109	229,102
Company					
2015					
Unsecured short-term bank loans	2.8	110,302	–	–	110,302
Unsecured long-term bank loans	3.1	23,666	–	–	23,666
Unsecured SPRING and IES loans	2.4	–	428	4,812	5,240
		133,968	428	4,812	139,208
2014					
Unsecured short-term bank loans	2.0	83,243	–	–	83,243
Unsecured long-term bank loans	2.6	43,167	–	–	43,167
Unsecured SPRING and IES loans	2.5	–	1,264	4,109	5,373
		126,410	1,264	4,109	131,783

26 EMPLOYEE BENEFITS

Two foreign subsidiaries of the Group provide for employee benefits under each respective country. In Thailand, severance pay under the Thai Labor Protection Act and long service awards are payable to employees. In Indonesia, post-employment benefits are provided for its employees when their services are terminated due to retirement. The foreign subsidiaries of the Group calculated the provision for employee benefits by using the actuarial technique.

In respect of the actuarial assumptions of Thailand, the assumptions used are similar to 2014. The principal actuarial assumptions at the reporting date are as follows:

	Group	
	2015	2014
Discount rate at 31 December	4.18%	4.18%
Resignation rate based on age group of employees	4%, 6% & 9%	4%, 6% & 9%
Future salary increases	10%	10%
Retirement age	60 years	60 years

In respect of the actuarial assumptions of Indonesia, the principal actuarial assumptions at the reporting date are as follows:

	Group	
	2015	2014
Discount rate at 31 December	10%	–
Future salary increases	5%	–
Retirement age	60 years	–

Provision for employee benefits for the year ended 31 December consists of the following:

	Group	
	2015 $'000	2014 $'000
At 1 January	931	763
Provision for post-employment benefit (Note 37)	72	–
Provision for severance pay and long service awards (Note 37)	171	152
Remeasurements:		
– Experience assumptions	–	–
– Actuarial gains from changes in demographic assumptions	–	–
– Actuarial gains from changes in financial assumptions	–	–
Benefits paid during the year	(5)	(19)
Translation adjustments	(27)	35
At 31 December	1,142	931

An amount of $243,000 (2014: $152,000) in respect of the defined benefit provisions was recognised in "General and administrative expenses" in the consolidated statement of profit or loss for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

26 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
Group	**$'000**	**$'000**
Discount rate	(98)	115
Retirement age	8	(8)
Future salary increases	104	(90)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned.

27 TRADE AND OTHER PAYABLES

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Factoring amounts owing to clients	16	**1,336**	816	**1,336**	816
Trade payables		**177**	172	**164**	172
Interest bearing loans due to subsidiary		**–**	–	**–**	2,370
Non-interest bearing loans due to subsidiary		**–**	–	**160**	–
Other payables and accruals	28	**5,597**	7,287	**1,341**	1,710
		7,110	8,275	**3,001**	5,068

Group and Company

Trade payables, other payables and accruals are non-interest bearing financial liabilities.

Company

The interest bearing loans owing to a subsidiary are unsecured.

The weighted average effective interest rate of interest bearing loan owing to a subsidiary at the end of the financial year 2015 was Nil (2014: 2.4%) per annum.

28 OTHER PAYABLES AND ACCRUALS

		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Accrued operating expenses		3,411	4,825	716	1,225
Deferred income		16	43	–	–
Clients' deposits		1,444	1,899	31	124
Accrued interest payable		726	520	594	361
	27	5,597	7,287	1,341	1,710

29 INSURANCE PAYABLES

	Group	
	2015	2014
	$'000	$'000
Payables arising from insurance contracts	1,462	1,682
Payables arising from reinsurance contract	363	736
	1,825	2,418

30 INTEREST INCOME

	Group	
	2015	2014
	$'000	$'000
Loans, advances, hire purchase, leasing receivables and factoring accounts to customers		
– unimpaired	21,609	22,110
– impaired	3,613	2,497
	25,222	24,607

31 INTEREST EXPENSE

	Group	
	2015	2014
	$'000	$'000
Banks and SPRING Singapore	6,980	6,068

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YEAR ENDED 31 DECEMBER 2015

32 STATEMENT OF PROFIT OR LOSS OF INSURANCE SUBSIDIARY – ECICS LIMITED

	Note	Group 2015 $'000	Group 2014 $'000
Revenue			
Gross written premiums		8,020	8,032
Change in gross provision for unexpired risks	13	1,851	2,386
Gross earned premium revenue		9,871	10,418
Written premiums ceded to reinsurers		(3,291)	(4,522)
Reinsurers' share of change in provision for unexpired risks	13	(2,121)	(2,016)
Reinsurance premium expenses		(5,412)	(6,538)
Net earned premium revenue		4,459	3,880
Other revenue			
Commission income		512	1,692
Investment income		354	2,123
Other income		29	1
		895	3,816
Net income before claims and expenses		5,354	7,696
Claims and expenses			
Change in provision for insurance claims		(6,579)	(12,030)
Reinsurers' share of change in provision for insurance claims		3,742	8,337
Gross claims paid	13	(1,882)	(4,735)
Reinsurers' share of claims paid	13	1,114	3,252
Net claims incurred		(3,605)	(5,176)
Commission expenses		(1,012)	(640)
Distribution expenses		(129)	(126)
Administration expenses		(1,419)	(1,193)
Staff costs		(2,537)	(2,368)
Reversal of insurance and other receivables		153	73
Total claims and expenses		(8,549)	(9,430)
Net loss before tax for the year		(3,195)	(1,734)

The statement of profit or loss reflects the credit, political risk, maid insurance, contractors' all risks and work injury compensation, bonds and guarantee, marine cargo and motor insurance businesses of the insurance subsidiary, ECICS Limited, that are consolidated in the Group's profit or loss. All intra-group transactions relating to credit premium income and expenses are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

33 FEE AND COMMISSION INCOME

	Group	
	2015	2014
	$'000	$'000
Fee income	6,473	7,002
Underwriting commission income	512	1,692
	6,985	8,694

34 INVESTMENT INCOME

	Group	
	2015	2014
	$'000	$'000
Exchange gain	93	61
Dividend income	1,133	517
(Loss)/gain on disposal of equity securities	(172)	452
Gain on early redemption of held-to-maturity debt securities	–	32
Gain on partial redemption of convertible loan	747	1,067
Net change in fair value of financial assets through profit or loss	(1,415)	(250)
Interest income from bonds, fixed deposits and others	1,206	1,152
Amortisation of held-to-maturity debt securities	(74)	(33)
	1,518	2,998

35 OTHER INCOME

	Group	
	2015	2014
	$'000	$'000
Recoveries – loans, advances and receivables	84	379
Gain on disposal of property, plant and equipment	12	–
Others	215	116
	311	495

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

36 ALLOWANCES FOR LOAN LOSSES AND IMPAIRMENT OF OTHER ASSETS

		Group	
		2015	2014
	Note	$'000	$'000
In respect of:			
Trade and other receivables			
– loans, advances, hire purchase, leasing and factoring receivables	10,16	18,324	14,753
– insurance and other receivables	14,17	460	(121)
– debts written off		1	179
Assets held for sale		(5)	5
Available-for-sale equity and debt securities	9	–	986
Property, plant and equipment	4	328	–
		19,108	15,802

37 LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

		Group	
		2015	2014
	Note	$'000	$'000
Amortisation of intangible assets	5	400	315
Depreciation of property, plant and equipment	4	1,047	987
Depreciation of investment property	6	47	–
Property, plant and equipment written off	4	1	20
Exchange loss, net		172	36
Audit fees			
– auditors of the Company		401	383
– other auditors		94	100
Non-audit fees			
– auditors of the Company		102	75
– other auditors		–	–
Directors' fees		382	392
Fees paid to corporations in which the directors have interests	41	30	15
Contributions to defined contribution plans included in staff costs		880	917
Provision for post-employment benefit	26	72	–
Provision for severance pay and long service awards	26	171	152

38 TAX (EXPENSE)/CREDIT

	Note	Group 2015 $'000	Group 2014 $'000
Current tax (expense)/credit			
Current year		(1,176)	(1,422)
Over/(under)provided in prior years		635	(24)
		(541)	(1,446)
Deferred tax (expense)/credit			
Movements in temporary differences		(185)	2,611
(Under)/overprovided in prior years		(525)	115
	12	(710)	2,726
		(1,251)	1,280

	Group 2015 $'000	Group 2014 $'000
Reconciliation of effective tax rate		
Loss before tax	(12,627)	(7,607)
Tax using Singapore tax rate of 17% (2014:17%)	2,147	1,293
Effect of tax rates in foreign jurisdictions	547	405
Non-deductible expenses	(704)	(635)
Tax benefit	–	94
Tax exempt income	63	27
Over provided in prior years	110	91
Reversal of temporary differences	(685)	–
Deferred tax not recognised	(2,785)	–
Others	56	5
	(1,251)	1,280

Tax recognised in other comprehensive income

	2015			2014		
	Before tax $'000	Tax expense $'000	Net of tax $'000	Before tax $'000	Tax expense $'000	Net of tax $'000
Group						
Foreign currency translation differences for foreign operations	(1,361)	–	(1,361)	1,968	–	1,968
Net change in fair value of available-for-sale financial assets	(250)	42	(208)	2,644	(449)	2,195
	(1,611)	42	(1,569)	4,612	(449)	4,163

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

39 LOSS PER SHARE

	Group	
	2015	2014
	$'000	$'000
Basic and diluted loss per share		
Basic loss per share is based on:		
Net loss attributable to ordinary shareholders	(15,151)	(7,694)

	Number of shares	
	'000	'000
Issued ordinary shares at beginning and end of the year	150,388	150,388
Weighted-average number of ordinary shares during the year	150,388	150,388

40 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

As at 31 December, the Group and the Company have outstanding standby letters of credit and bankers guarantees issued on behalf of customers as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Letters of credit	1,581	2,352	940	196
Bankers guarantees	1,383	2,019	–	–
	2,964	4,371	940	196

Commitments

At 31 December, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2015	2014
	$'000	$'000
Within 1 year	217	308
After 1 year but within 5 years	106	421
	323	729

40 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Commitments (continued)

The Group's subsidiaries lease three office premises under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease after that date. Lease payments are increased annually to reflect market rentals.

41 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Key management personnel compensation

	Group	
	2015	**2014**
	$'000	**$'000**
Short-term benefits	**2,397**	2,398
Post-employment benefits	**110**	119
Termination benefits	**230**	–
	2,737	2,517

Key management personnel refers to the Group Chief Executive Officer, Chief Executive Officers and Country Head equivalent of the subsidiaries, General Managers and Senior Management of the holding company, who have the authority and responsibility for planning, directing and controlling the activities of the Group and the Company.

Remuneration comprise salary, allowances, bonuses (comprises annual wage supplement and performance bonus), employers' contributions to defined contribution plans and other benefits including severance and retirement benefits provided for a key management personnel of an overseas subsidiary as required under the country's labour regulations.

Other related parties transactions

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Related parties		
Professional and brokerage fees incurred	**24**	6
Software development fees incurred	**–**	3
Fund management fees incurred	**1**	1
Director of Company		
Professional fees	**5**	5

NOTES TO THE FINANCIAL STATEMENTS

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42 FINANCIAL AND INSURANCE RISK MANAGEMENT

Accepting and managing risk is central to the business of being a financial services provider and is an important part of the Group's overall business strategy. The Group has adopted formal risk management policies and procedures which are approved by the Board. These risk management guidelines set out both procedures as well as quantitative limits to minimise risks arising from the Group's exposures to such factors. The main financial and insurance risks that the Group is exposed to and how they are being managed are set out below.

Credit risk

The principal risk to which the Group is exposed is credit risk in connection with its loans, factoring, credit insurance, bond, guarantee and insurance activities. Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. Management has established credit and insurance processes and limits to manage these risks including performing credit reviews of its customers and counterparties, risk-sharing and obtaining collaterals as security where considered necessary.

Other credit risks represent the loss that would be recognised if counterparties in connection with insurance, reinsurance, investment and banking transactions failed to perform as contracted. Credit evaluations are performed on all new brokers, reinsurers, financial institutions and other counterparties.

Credit risk in respect of the Group's lending activities is managed and monitored in accordance with defined credit policies and procedures. Significant credit risk strategies and policies are approved, and reviewed periodically by the Board of Directors. These include setting authority limits for approving credit facilities and establishing limits on single client, related entities, and industry exposures to ensure the broad diversification of credit risk and to avoid undue concentration. These policies are delegated to and disseminated under the guidance and control of the Group Credit Risk Officer and Management Committee. A delegated credit approval authority limit structure, approved by the Board of Directors, is as follows:

- The Independent Credit Department and senior management staff assess, review and make decisions on credit risks of the Group within the authority limits imposed by the Board;
- The Credit Risk Management Department independently assesses the creditworthiness and risk profile of the obligors and formulates credit policies and procedures for the Group;
- The Client Audit Unit conducts audits on new factoring clients and some times, loan clients before account activation and for existing ones, on a periodic basis;
- Daily monitoring of accounts is handled by Client Relationship and Business Development Teams together with Operations Department and Credit Risk Management Department;
- The Internal Audit function provides independent assurance to senior management and the Audit Committee concerning compliance with credit processes, policies and the adequacy of internal controls; and
- Established limits and actual levels of exposure are regularly reviewed and reported to the Board of Directors on a periodic basis.

Credit risk arising on loans to customers under the LEFS and IF Scheme are under risk-sharing arrangements with SPRING Singapore and IES respectively, with the risk-sharing ranging from 50% to 80% of the funds disbursed.

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The credit risk for loans, advances, hire purchase, leasing, factoring and insurance receivables based on the information provided to management are as follows:

(I) Exposure to credit risk

(a) Loans, advances, hire purchase and leasing receivables

Loans, advances, hire purchase and leasing receivables are summarised as follows:

		Group		Company	
		2015	2014	**2015**	2014
	Note	**$'000**	$'000	**$'000**	$'000
Collectively assessed					
Neither past due nor impaired (i)		**103,398**	120,280	**83,192**	97,792
Past due but not impaired (ii)		**7,819**	7,153	**7,792**	7,080
Gross amount		**111,217**	127,433	**90,984**	104,872
Collective impairment		**(1,873)**	(2,548)	**(1,791)**	(2,441)
Carrying amount		**109,344**	124,885	**89,193**	102,431
Individually impaired (iii)		**25,110**	23,828	**12,495**	11,125
Allowance for impairment		**(23,057)**	(18,507)	**(12,469)**	(9,103)
Carrying amount		**2,053**	5,321	**26**	2,022
Total carrying amount	10	**111,397**	130,206	**89,219**	104,453

(i) Loans, advances, hire purchase and leasing receivables neither past due nor impaired:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Gross amount	**103,398**	120,280	**83,192**	97,792
includes accounts with renegotiated terms	**8,014**	1,815	**8,014**	–
includes accounts that are unsecured	**41,974**	37,042	**41,188**	35,667

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(I) Exposure to credit risk (continued)

(a) Loans, advances, hire purchase and leasing receivables (continued)

(ii) Loans, advances, hire purchase and leasing receivables past due but not impaired, analysed by past due period:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Gross amount	**7,819**	7,153	**7,792**	7,080
Past due comprises:				
1 – 30 days	**7,389**	6,712	**7,389**	6,712
31 – 60 days	**68**	114	**49**	74
61 – 90 days	**54**	92	**48**	65
91 – 180 days	**75**	90	**74**	84
More than 180 days	**233**	145	**232**	145
Gross amount	**7,819**	7,153	**7,792**	7,080

(iii) Loans, advances, hire purchase and leasing receivables individually impaired, analysed by loan grading:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Pass	**–**	–	**–**	–
Special mention	**446**	–	**–**	–
Substandard	**2**	3,024	**–**	–
Doubtful	**8,313**	12,938	**2,682**	3,259
Loss	**16,349**	7,866	**9,813**	7,866
Gross amount	**25,110**	23,828	**12,495**	11,125
Allowance for impairment	**(23,057)**	(18,507)	**(12,469)**	(9,103)
Carrying amount	**2,053**	5,321	**26**	2,022

(b) Factoring receivables

The Group's credit risk exposures on factoring receivables comprise the following types of risks: recourse and non-recourse factoring. The receivables represent the debts that were factored to the Group by its clients of which the Group may provide funding up to 90% of the eligible debts.

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(I) Exposure to credit risk (continued)

(b) Factoring receivables (continued)

The "recourse" factoring relates to debts for which the Group and the Company do not bear the risk of non-payment from the customers. Conversely, in the "non-recourse" factoring, the Group and the Company bear any bad debt risk that may arise. The Group reinsures part of the debts under non-recourse factoring with external reinsurers.

The breakdown by type of factoring risk is as follows:

		Factoring receivables			
		Group		Company	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Recourse		187,396	182,586	25,268	16,324
Non-recourse		2,914	3,394	2,914	3,394
	16	190,310	185,980	28,182	19,718

The credit quality of the factoring receivables that were neither past due nor impaired of the Group and the Company is assessed based on the credit policy established by the Credit Committee. An analysis of the credit quality of the factoring receivables that were neither past due nor impaired at the reporting date is as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Acceptable risk	117,248	104,052	13,885	9,760

The ageing of past due but not impaired factoring receivables for more than 180 days and above at the reporting date is as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Past due but not impaired receivables				
More than 180 days	1,963	1,946	1,963	366

For non-recourse factoring, the Group will assume the credit risks for debts commencing from the day the credit sales is approved. The settlement date in relation to claims arising from such debts is 180 days after the due date of the invoices.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(I) Exposure to credit risk (continued)

(c) Insurance receivables

The ageing of past due but not impaired insurance receivables at the reporting date are as follows:

	Group 2015 $'000	Group 2014 $'000
1 – 180 days	354	12
More than 181 days	118	24
	472	36

Analysis of receivables that were not past due nor impaired at the reporting date is as follows:

	Group 2015 $'000	Group 2014 $'000
Acceptable risks	1,635	1,015

Guarantees

The maximum exposure of the Company in respect of the intra-group financial guarantee (see note 25) at the reporting date if the facility is drawn down by the subsidiary is in the amount of $8,353,303 (2014: $16,252,261). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

(II) Impaired loans and investments

(a) Loan classification

The Group has in place an internal credit scoring model for quantitative credit assessment of the loan. This together with the following categorisation of loans helps the Group to grade the non-performing loan accounts. The Group refined its internal credit scoring model and performing loans are categorised as Pass and Special Mention while Non-Performing loans are categorised as Substandard, Doubtful and Loss based on the following guidelines:

- Pass – Payment of principal and interests are up-to-date and timely repayment of the outstanding credit facilities is not in doubt
- Special Mention – Credit facilities exhibit potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments
- Substandard – Credit facilities exhibit definable weaknesses, either in respect of businesses, cash flow or financial position of the borrower that may jeopardise repayment of existing terms

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(II) Impaired loans and investments (continued)

(a) Loan classification (continued)

- Doubtful – Credit facilities exhibit severe weaknesses such that the prospect of full recovery is questionable and prospect of a loss is high, but exact amount remains undeterminable
- Loss – The long outstanding debt is regarded as uncollectible and nothing can be done to recover the debt

(b) Loans with renegotiated terms

Loans with renegotiated terms refer to one where the original contractual terms and conditions have been modified upon mutual agreement between the Group and the borrower on commercial grounds due to temporary financial difficulties, corporate restructuring or other events.

(c) Allowances for non-performing financial assets

(i) Allowances for loans and receivables

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan and receivable portfolios. Allowances for loans and factoring receivables comprise specific allowances as well as collective allowances. Specific allowance is established when the present value of future recoverable cash flows of the impaired loans and receivables are lower than the carrying value of the loans and receivables. Assessment for impairment of loans and receivables is conducted on a case-by-case basis. For collective loss allowance, this is provided on the remaining loans and receivables which are grouped according to their risk characteristics and collectively assessed taking into account the historical loss experience on such loans and receivables.

(ii) Allowances for investments

The Group establishes an allowance for impairment losses of investments that represents its estimate of incurred impairment in its investment portfolios. At each reporting date, Management assesses whether there is objective evidence that an investment is impaired. In the case of an equity investment classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator that the investment is impaired. If such evidence exists, the cumulative loss measured as the difference between the acquisition cost net of any principal repayments and current fair value, less any impairment loss on that investment previously recognised in profit or loss, is removed from the fair value reserve within equity and recognised in profit or loss. Impairment losses recognised in profit or loss on available-for-sale equity investments are not reversed through profit or loss. Any subsequent increase in the fair value is recognised in the fair value reserve within equity and the accumulated balance is included in profit or loss when such equity investments are disposed of.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(II) Impaired loans and investments (continued)

(d) Write-off policy

The Group writes off a loan or a receivable balance (and any related allowances for impairment losses) when the Group determines that the loans/receivables/investments are uncollectible. This determination is reached when there is no realisable tangible collateral securing the account, and all feasible avenues of recovery have been exhausted.

(e) Upgrading of non-performing loan

The loan can only be upgraded after a reasonable period (typically six months) of regular payments under the restructured terms.

(f) Impairment losses

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired loans, advances, hire purchase and leasing receivables by risk grade:

	Loans, advances, hire purchase and leasing receivables			
	2015		2014	
	Gross $'000	Net $'000	Gross $'000	Net $'000
Group				
Special mention	446	443	–	–
Substandard	2	–	3,024	716
Doubtful	8,313	1,584	12,938	4,580
Loss	16,349	26	7,866	25
	25,110	2,053	23,828	5,321

	Loans, advances, hire purchase and leasing receivables			
	2015		2014	
	Gross $'000	Net $'000	Gross $'000	Net $'000
Company				
Substandard	–	–	–	–
Doubtful	2,682	–	3,259	1,997
Loss	9,813	26	7,866	25
	12,495	26	11,125	2,022

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(III) Collateral

The Group holds collateral against loans and advances to clients in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of the fair value are based on the value of collateral at the time of lending and generally are not updated except when the loan is individually assessed as impaired. Generally, collateral is not held against the Group's investment securities, and no such collateral was held at 31 December 2015 or 2014.

An estimate fair value of collateral and other security enhancements held against financial assets is shown below:

	Loans, advances, hire purchase and leasing receivables			
	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Against individually impaired				
Accounts receivable	–	–	–	–
Equipment	3,267	2,379	–	–
Subtotal	3,267	2,379	–	–
Against past due but not impaired				
Properties	16,600	12,150	16,600	12,150
Vessels	5,600	12,200	5,600	12,200
Equipment	22	1,069	–	1,011
Shares	–	–	–	–
Subtotal	22,222	25,419	22,200	25,361
Against neither past due nor impaired				
Accounts receivable	4,632	165	–	–
Fixed/cash deposits	218	9,311	–	8,830
Properties	31,062	71,651	31,062	71,651
Equipment	23,858	38,723	9,724	18,984
Vessels/motor vehicles	35,897	49,361	35,897	49,361
Subtotal	95,667	169,211	76,683	148,826
Total	121,156	197,009	98,883	174,187

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(IV) Concentration of credit risk

The Group monitors concentration of credit risk by sectors.

The concentration of credit risk of derivative financial asset in respect of the warrant at the reporting date is in manufacturing sector.

For held to maturity investments in debt securities, the Group invests primarily in securities issued by the Singapore Government, Statutory Boards and high grade corporate bonds. Such investments require approval from two delegated authorities. The Group has put in place investment, counterparty and foreign currency limits in relation to its investment activities to ensure that there is no over-concentration to any one class of investment.

An analysis of concentration of credit risk of loans, investments and factoring receivables at the reporting date is shown below:

	Loans, advances, hire purchase and leasing receivables (Note 10)		Investments (Note 9)	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Group				
Concentration by sector				
Manufacturing	**46,230**	73,045	**4,039**	4,556
Services	**37,637**	37,025	**20,813**	15,951
Holding and investment companies	**13,161**	4,219	**3,134**	3,165
Property	**11,822**	10,169	**38,028**	41,100
Transport	**–**	–	**6,081**	7,508
Others	**2,547**	5,748	**501**	1,218
	111,397	130,206	**72,596**	73,498
Company				
Concentration by sector				
Manufacturing	**33,145**	53,824	**–**	–
Services	**31,593**	30,493	**4,713**	3,736
Holding and investment companies	**13,161**	4,219	**–**	–
Property	**8,773**	10,169	**3,731**	3,264
Others	**2,547**	5,748	**–**	–
	89,219	104,453	**8,444**	7,000

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(IV) Concentration of credit risk (continued)

	Factoring receivables (Note 16)			
	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Concentration by sector				
Manufacturing	124,831	120,994	8,460	7,868
Services	57,744	62,927	11,987	9,791
Holding and investment companies	1,821	13	1,821	13
Property	902	308	902	308
Others	5,012	1,738	5,012	1,738
	190,310	185,980	28,182	19,718

The maximum exposure to credit risk for loans, factoring receivables and investments at the reporting date by geographical region was:

	Loans, advances, hire purchase and leasing receivables			
	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore	92,268	96,623	89,219	96,623
Southeast Asia	19,129	27,573	–	1,820
Rest of Asia	–	6,010	–	6,010
	111,397	130,206	89,219	104,453

	Factoring Receivables			
	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore	10,786	9,956	10,786	9,956
Southeast Asia	113,252	117,818	–	–
	124,038	127,774	10,786	9,956

	Investments			
	Group		Company	
	2015	2014	2014	2014
	$'000	$'000	$'000	$'000
Singapore	65,753	69,969	3,786	3,758
Southeast Asia	4,657	3,241	4,657	3,241
Rest of Asia	2,146	255	–	–
Others	40	33	1	1
	72,596	73,498	8,444	7,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Interest rate risk

In carrying out its lending activities, the Group strives to meet client demands for products with various interest rate structures and maturities. Sensitivity to interest rate movements arises from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liabilities funding. As interest rates and yield curves change over time, the size and nature of these mismatches may result in a loss or gain in earnings.

The Group attempts to minimise the interest rate risks wherever possible over the tenor of the financing. Floating rate lending is matched by floating rate borrowings. For fixed rate loans, these are matched by shareholders' funds and fixed rate borrowings and, if economically feasible, of the same tenor and amount. However, gaps may arise due to prepayments or delays in drawdown by clients.

On a minimum quarterly basis, the Group calculates its interest rate sensitivity gaps by time bands based on the earlier of contractual repricing date and maturity date. Where there is a gap arising out of a mismatch, the Group will use interest rate derivative instruments such as interest rate swaps, caps and floors to hedge its position.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, and the Group does not designate derivatives (interest rate cap and floor) as hedging instruments under the fair value accounting model. Therefore a change in interest rate at the reporting date would not affect the Group's profit or loss.

Sensitivity analysis for variable rate instruments

As at 31 December 2015, it is estimated that a general increase of 100 basis points (bp) in interest rates would have decreased the Group's profit or loss by approximately $19,900 and the Company's profit or loss by approximately $46,000 (2014: Group: increase by $246,000; Company: increase by $77,000). A decrease in 100bp in interest rates would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Liquidity risk

Liquidity risk is the risk due to having insufficient funds to meet contractual and business obligations in a timely manner. The Group manages and projects its cash flow commitments on a regular basis and this involves monitoring the concentration of funding maturity at any point in time and ensuring that there are committed credit lines from banks for its funding requirements.

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The following are the expected contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Group						
2015						
Non-derivative financial liabilities						
Trade and other payables	7,110	7,110	7,110	–	–	–
Insurance payables	1,825	1,825	1,825	–	–	–
Interest-bearing borrowings	233,935	237,071	202,141	10,668	14,835	9,427
Letters of credit	–	1,581	1,581	–	–	–
Bankers guarantees	–	1,383	1,383	–	–	–
	242,870	248,970	214,040	10,668	14,835	9,427
Derivative financial instruments						
Forward exchange contracts (net settled):						
– Outflow	21	21	21	–	–	–
	242,891	248,991	214,061	10,668	14,835	9,427
2014						
Non-derivative financial liabilities						
Trade and other payables	8,275	8,275	8,275	–	–	–
Insurance payables	2,418	2,418	2,418	–	–	–
Interest-bearing borrowings	229,102	233,722	172,261	15,484	23,041	22,936
Letters of credit	–	2,352	2,352	–	–	–
Bankers guarantees	–	2,019	2,019	–	–	–
	239,795	248,786	187,325	15,484	23,041	22,936

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Company						
2015						
Non-derivative financial liabilities						
Trade and other payables	3,001	3,001	3,001	–	–	–
Interest-bearing borrowings	139,208	141,674	113,846	7,709	10,692	9,427
Letters of credit	–	940	940	–	–	–
	142,209	145,615	117,787	7,709	10,692	9,427
2014						
Non-derivative financial liabilities						
Trade and other payables	5,068	5,068	5,068	–	–	–
Interest-bearing borrowings	131,783	135,012	90,866	9,691	15,776	18,679
Letters of credit	–	196	196	–	–	–
	136,851	140,276	96,130	9,691	15,776	18,679

Currency risk

The Group operates in Southeast Asia with dominant operations in Singapore, Indonesia, Malaysia and Thailand. Entities in the Group also transact in currencies other than their respective functional currencies ("foreign currencies") such as United States Dollar ("USD"), Australian Dollar ("AUD"), Sterling Pound ("GBP"), Indonesian Rupiah ("IDR"), Malaysian Ringgit ("RM") and Thai Baht ("THB").

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk on investments, loans, advances and factoring receivables and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily USD, THB, GBP, AUD and RM. If necessary, the Group may use derivative financial instruments to hedge its foreign currency risk.

Interest-bearing borrowings are denominated in currencies that match cashflows generated by the underlying operations of the Group, primarily USD, AUD, THB, RM and IDR. This provides an economic hedge and no derivatives are entered into.

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short term imbalances.

The Group's investments in foreign subsidiaries and associates are not hedged as these currency positions are considered to be non-monetary and long-term in nature.

The Group's and Company's exposures to major foreign currency risks are as follows:

	USD	THB	GBP	AUD
	$'000	$'000	$'000	$'000
Group				
2015				
Loans & advances, trade and other receivables	**28,334**	**1**	**151**	**184**
Other investments	**1,611**	**4,657**	**–**	**477**
Cash and cash equivalents	**628**	**5**	**24**	**4**
Insurance receivables	**257**	**–**	**–**	**–**
Trade and other payables	**(96)**	**(10,301)**	**–**	**–**
Interest-bearing borrowings	**(31,353)**	**–**	**–**	**(179)**
Insurance payables	**(32)**	**–**	**–**	**–**
Net currency exposure	**(651)**	**(5,638)**	**175**	**486**
2014				
Loans & advances, trade and other receivables	24,490	–	31	6,181
Other investments	23	3,242	–	254
Cash and cash equivalents	494	5	24	13
Insurance receivables	67	–	–	–
Trade and other payables	(76)	(10,707)	–	(34)
Interest-bearing borrowings	(24,634)	–	–	(6,061)
Insurance payables	(32)	–	–	–
Net currency exposure	332	(7,460)	55	353

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

	USD $'000	THB $'000	RM $'000	GBP $'000	AUD $'000
Company					
2015					
Loans & advances, trade and other receivables	31,149	16	21	77	184
Other investments	–	4,657	–	–	–
Cash and cash equivalents	352	5	–	25	4
Trade and other payables	(94)	–	–	–	–
Interest-bearing borrowings	(31,283)	–	–	–	(179)
Net currency exposure	124	4,678	21	102	9
2014					
Loans & advances, trade and other receivables	24,735	17	29	–	6,181
Other investments	–	3,241	–	–	–
Cash and cash equivalents	74	5	–	24	13
Trade and other payables	(22)	(1)	–	(41)	(34)
Interest-bearing borrowings	(24,634)	–	–	–	(6,061)
Net currency exposure	153	3,262	29	(17)	99

Sensitivity analysis

A 10 percent strengthening of the Singapore dollar against the following currencies at the reporting date would have increased (decreased) the equity and profit or loss after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
31 December 2015				
USD	(3)	57	–	(10)
THB	(466)	855	(466)	(2)
RM	–	–	–	(2)
GBP	–	(15)	–	(8)
AUD	(48)	(1)	–	(1)
31 December 2014				
USD	(2)	(26)	–	(13)
THB	(324)	888	(324)	(2)
RM	–	–	–	(2)
GBP	–	(5)	–	1
AUD	(25)	(8)	–	(8)

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

Sensitivity analysis (continued)

A 10 percent weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the basis that all other variables remain constant.

Other market price risk

The Group has equity interests in private companies as well as quoted equity shares which are subject to market risks such as fluctuations in market prices, economic risks, credit default risks and investment risks inherently arising from the nature of the venture capital business activities.

The Group's venture capital investments are both internally and externally managed. The internally managed venture capital investments are predominantly investments that the Group is looking to divest. For externally managed venture capital investments, the Group has representatives in the Investment Committee of the Fund Manager that makes investment and divestment decisions. The Fund Manager has established policies and procedures to monitor and control its investments and divestments.

Investments in equity securities arise mainly from structured finance activities and they relate to those financial instruments in which embedded derivatives either in the form of the options or warrants are attached. Upon the maturity of the derivatives, the options or warrants are exercised and converted into equity with the moratorium period attached. As such, the Group has to hold these equities until the expiry of the moratorium before divesting. The Group has established policies and procedures to monitor and control its divestments.

For investments under the Insurance Fund, the Group has asset allocation guidelines which are reviewed periodically by the management and the Board. Under the asset allocation guidelines, limits are set in place for various asset classes such as equities, bonds and fixed/cash deposits.

Sensitivity analysis – market price risk

For other investments carried at fair value, a 5 percent increase in the prices of the financial instruments at the reporting date would have increased (decreased) equity and profit or loss after tax by the amounts shown below:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Equity	382	449	170	188
Profit or loss	496	620	16	8

A 5 percent decrease in the underlying equity prices at the reporting date would have had the equal but opposite effect to the amounts shown above.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost of effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

Compliance with Group standards is supported by a risk based plan approved by the Audit Committee on an annual basis and carried out by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, and reported to the Audit Committee on a periodic basis.

The Compliance Unit of the Group updates management and the Board of Directors on the changes and development in the laws and regulations and assists Management to check on the Group's compliance of the limits set by the Risk Management guidelines.

Insurance contract risk

Underwriting risk

Underwriting risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims and their frequency and severity and the risk of change in legal or economic conditions or behavioural patterns affecting insurance pricing and conditions of insurance or reinsurance cover.

The principal underwriting risk to which the Group is exposed is credit risk in connection with its credit insurance and bond and guarantee underwriting activities. Management has established underwriting processes and limits to manage this risk including performing credit reviews of its customers and obtaining cash collateral as security where considered necessary.

Pricing risk

The underwriting function carries out qualitative and quantitative risk assessments on all buyers and clients before deciding on an approved credit limit. Policies in riskier markets may be rejected or charged at a higher premium rate accompanied by stricter terms and conditions to commensurate the risks.

Concentration risk

Concentration limits are set to avoid heavy concentration within a specific industry or country. Maximum limits are set for buyer credit limits and guarantee facility limits and higher limits require special approval. There is also monthly monitoring and reporting of any heavy concentration of risk exposure towards any industry, country, buyer and client limits. Buyer credit limits and client facility limits are reviewed on a regular basis to track any deterioration in their financial position that may result in a loss to the Group.

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Insurance contract risk (continued)

Concentration risk (continued)

The main exposures of the Group's credit insurance contracts are to the wholesale and retail trade sectors. For bond and guarantee insurance contracts, the property and construction sectors contribute to a larger proportion of the Group's risk exposure. The Group's concentration of risk relates mainly to customers in Singapore.

Reinsurance outwards

The Group participates in reinsurance treaties to cede risks to its reinsurers, which are internationally established firms with credit ratings and reviewed by the Board. Under the treaties, the Group undertakes to cede to its reinsurers between 65% to 80% of its total written premium as well as the same proportion of corresponding losses for 2015. Risks undertaken which do not fall within the treaty scope of cover are ceded to reinsurers on a facultative basis.

Asset-liability management ("ALM")

The ALM policy is designed to ensure financial assets are managed with maturity profile that matches the projected cash-flows for the Group's liabilities. In addition, the Group maintains at least 30% (2014: 30%) of claims liability in cash and cash equivalents to meet claims settlements as and when they arise.

Claims development table

Claim development tables are disclosed to allow comparison of the outstanding claim provisions with those of prior years. In effect, the tables highlight the Group's ability to provide an estimate of the total value of claims. The top part of the table provides a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or accident year-ends. The estimate is increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimated cumulative claims.

While the information in the table provides a historical perspective on the adequacy of unpaid claims estimates in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances. The Group believes that the provisions for insurance claims outstanding as at the reporting date are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

The analysis of claims development has been performed on a gross basis before accounting for reinsurance and on a net basis after accounting for reinsurance.

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YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Insurance contract risk (continued)

Claims development table (continued)

The claims information for the accident years below is based on the following:

Accident year:

- 2009 and prior – 12 months ended 31 December 2009 and prior
- 2010 – 12 months ended 31 December 2010
- 2011 – 12 months ended 31 December 2011
- 2012 – 12 months ended 31 December 2012
- 2013 – 12 months ended 31 December 2013
- 2014 – 12 months ended 31 December 2014
- 2015 – 12 months ended 31 December 2015

(i) Analysis of claims development – gross of reinsurance basis

Total business
Gross loss development tables as at 31 December 2015
Unit: $'000s

Estimate of cumulative claims Accident year	2009	2010	2011	2012	2013	2014	2015	Total
At end of accident year	4,659	1,400	501	693	2,001	21,112	25,454	
One year later	4,831	1,018	693	298	1,648	4,906		
Two years later	4,210	1,018	284	187	471			
Three years later	3,571	346	26	187				
Four years later	3,570	15	26					
Five years later	3,570	15						
Six years later	3,570							
Current estimate of ultimate claims	3,570	15	26	187	471	4,906	25,454	34,629
Cumulative payments (since 2009)	(3,570)	(15)	(26)	(187)	(467)	(4,651)	(2,887)	(11,803)
Gross estimate of outstanding claim liability	–	–	–	–	4	255	22,567	22,826
Unallocated loss adjustment expenses	–	–	–	–	–	1	113	114
Effect of discounting	–	–	–	–	–	–	–	–
Best estimate of gross outstanding claim liability (2005 to 2008)	–	–	–	–	4	256	22,680	22,940
Provision for adverse deviation								544
Gross provision for insurance claims (note 13)								23,484

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Insurance contract risk (continued)

Claims development table (continued)

(i) Analysis of claims development – gross of reinsurance basis (continued)

Total business
Gross loss development tables as at 31 December 2014
Unit: $'000s

Estimate of cumulative claims Accident year	2009	2010	2011	2012	2013	2014	Total
At end of accident year	4,659	1,400	501	693	2,001	21,112	
One year later	4,831	1,018	693	298	1,648		
Two years later	4,210	1,018	284	187			
Three years later	3,571	346	26				
Four years later	3,570	15					
Five years later	3,570						
Current estimate of ultimate claims	3,570	15	26	187	1,648	21,112	26,558
Cumulative payments (since 2009)	(3,570)	(15)	(26)	(187)	(1,494)	(4,608)	(9,900)
Gross estimate of outstanding claim liability	–	–	–	–	154	16,504	16,658
Unallocated loss adjustment expenses	–	–	–	–	–	47	47
Effect of discounting	–	–	–	–	–	–	–
Best estimate of gross outstanding claim liability	–	–	–	–	154	16,551	16,705
Best estimate of gross outstanding claim liability (2005 to 2008)							–
Provision for adverse deviation							200
Gross provision for insurance claims (note 13)							16,905

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Insurance contract risk (continued)

Claims development table (continued)

(ii) Analysis of claims development – net of reinsurance basis

Total business
Net loss development tables as at 31 December 2015
Unit: $'000s

Estimate of cumulative claims Accident year	2009 and prior	2010	2011	2012	2013	2014	2015	Total
At end of accident year	8,506	616	227	275	1,658	5,625	8,227	
One year later	7,457	459	314	133	565	1,679		
Two years later	9,363	459	136	84	128			
Three years later	6,667	166	12	129				
Four years later	6,390	–	12					
Five years later	6,378	–						
Six years later	6,145							
Current estimate of ultimate claims	6,145	–	12	129	128	1,679	8,227	16,320
Cumulative payments	(6,145)	–	(12)	(129)	(124)	(1,216)	(951)	(8,577)
Net estimate of outstanding claim liability	–	–	–	–	4	463	7,276	7,743
Unallocated loss adjustment expenses	–	–	–	–	–	6	108	114
Effect of discounting	–	–	–	–	–	–	–	–
Best estimate of outstanding claim liability	–	–	–	–	4	469	7,384	7,857
Provision for adverse deviation								368
Net provision for insurance claims (note 13)								8,225

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Insurance contract risk (continued)

Claims development table (continued)

(ii) Analysis of claims development – net of reinsurance basis (continued)

Total business
Net loss development tables as at 31 December 2014
Unit: $'000s

Estimate of cumulative claims Accident year	2009 and prior	2010	2011	2012	2013	2014	Total
At end of accident year	8,506	616	227	275	1,658	5,625	
One year later	7,457	459	314	133	565		
Two years later	9,363	459	136	84			
Three years later	6,667	166	12				
Four years later	6,390	–					
Five years later	6,378						
Current estimate of ultimate claims	6,145	–	12	84	565	5,625	12,431
Cumulative payments	(6,145)	–	(12)	(84)	(499)	(457)	(7,197)
Net estimate of outstanding claim liability	–	–	–	–	66	5,168	5,234
Unallocated loss adjustment expenses	–	–	–	–	7	39	46
Effect of discounting	–	–	–	–	–	–	–
Best estimate of outstanding claim liability	–	–	–	–	73	5,207	5,280
Provision for adverse deviation							108
Net provision for insurance claims (note 13)							5,388

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Estimation of fair value

Derivative financial assets

The fair value of quoted warrants is their last bid price at the reporting date.

Investments in equity and debt securities

The fair value of quoted equity securities is their last bid price at the reporting date. The fair values of unquoted corporate bonds, unquoted unit trusts and money market funds are their indicative prices at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

Loans, advances, hire purchase, leasing and receivables

The fair values of loans, advances, hire purchase, leasing and receivables that reprice within six months of reporting date are assumed to equate the carrying values. The fair values of fixed rate loans, advances, hire purchase, leasing and factoring receivables were calculated using discounted cash flow models based on the maturity of the loans. The discount rates applied in this exercise were based on the current interest rates of similar types of loans, advances, hire purchase, leasing and factoring receivables if these assets were performing at reporting date.

Other financial assets and liabilities

The Company and the Group's subsidiary granted convertible loans to finance residential projects in Singapore. The convertible loans contain embedded equity conversion options and are expected to convert or mature between 2016 and 2018. These have been classified as available-for-sale financial assets as Level 2 and Level 3. Management has used discounted cash flow technique in which inputs were based on units sold and sales projections and development cost projections as at 31 December 2015. The discounted rates of 5% to 6% were used to ascertain the fair value.

The notional amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period of maturity.

The fair value of quoted equity securities is their last bid price at the reporting date. The fair values of the unquoted corporate bonds, unquoted unit trusts and money market funds are their indicative prices at the reporting date.

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Estimation of fair value (continued)

Other financial assets and liabilities (continued)

The fair values of the financial assets including their levels in the fair value hierarchy are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2015				
Derivative financial assets	**10**	**323**	**–**	**333**
Available-for-sale financial assets				
– Equity securities	**–**	**–**	**8,965**	**8,965**
– Convertible loans	**–**	**3,341**	**15,932**	**19,273**
Held-for-trading equity securities	**11,958**	**–**	**–**	**11,958**
	11,968	**3,664**	**24,897**	**40,529**
2014				
Derivative financial assets	100	–	90	190
Available-for-sale financial assets				
– Equity securities	–	–	8,964	8,964
– Convertible loans	–	3,264	11,546	14,810
Held-for-trading equity securities	14,749	–	–	14,749
	14,849	3,264	20,600	38,713
Company				
2015				
Derivative financial assets	**10**	**–**	**–**	**10**
Available-for-sale financial assets				
– Equity securities	**–**	**–**	**4,713**	**4,713**
– Convertible loan	**–**	**3,341**	**–**	**3,341**
Held-for-trading equity securities	**390**	**–**	**–**	**390**
	400	**3,341**	**4,713**	**8,454**
2014				
Derivative financial assets	100	–	90	190
Available-for-sale financial assets				
– Equity securities	–	–	3,736	3,736
– Convertible loan	–	3,264	–	3,264
	100	3,264	3,826	7,190

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Estimation of fair value (continued)

Other financial assets and liabilities (continued)

Level 3 fair values relate to unquoted equity securities, funds and convertible loans which has no observable market prices.

During the financial year ended 31 December 2015, there was no transfer between levels.
During the financial year ended 31 December 2014, there was a transfer between Level 1 and Level 3 resulting from delisting of a quoted equity security.

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of fair value hierarchy:

	Group $'000	Company $'000
At 1 January 2015	**20,600**	**3,826**
Additions	**7,416**	**1,416**
Redemptions	**(2,701)**	**(400)**
Loss recognised in other comprehensive income	**(328)**	**(39)**
Loss recognised in profit or loss	**(90)**	**(90)**
At 31 December 2015	**24,897**	**4,713**
At 1 January 2014	16,825	4,326
Transfer from Level 1	376	–
Additions	1,000	–
Redemptions	(1,090)	–
Allowance for impairment	(986)	(603)
Provision utilised	944	–
Gain recognised in other comprehensive income	3,441	13
Gain recognised in profit or loss	90	90
At 31 December 2014	20,600	3,826

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Estimation of fair value (continued)

Other financial assets and liabilities (continued)

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Convertible loans	*Discounted cash flows:* The fair value is computed based on units sold, sales projections on unsold units and development costs projections, discounted to the present value using a risk-adjusted discount rate	Risk-adjusted discount rate of 5% to 6%	The estimated fair value would increase (decrease) if the risk-adjusted rate was lower (higher)
Equity securities	*Discounted cash flows:* The valuation model considers the present value of the net cash flows expected to be generated by the investee. The cash flow projections include specific estimates for 5 years. The expected net cash flows are discounted using a risk-adjusted discount rate.	Risk-adjusted discount rate of 13.5%	The estimated fair value would increase (decrease) if the risk-adjusted rate was lower (higher)
Funds	*Net asset value* The valuation model inputs are based on net assets value of the funds invested	Net asset value of the funds	The estimated fair value would increase (decrease) if the net assets value was higher (lower)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

42 FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Estimation of fair value (continued)

Sensitivity analysis – Level 3 valuation

For the fair values of convertible loans and unquoted equity securities – available-for-sale, reasonably possible changes at the reporting date to risk-adjusted discount rate by 1%, holding other inputs constant, would have the following effects.

	Equity and other comprehensive income			
Risk-adjusted discount rate	Group		Company	
(1% movement)	Increase	Decrease	Increase	Decrease
	$'000	$'000	$'000	$'000
31 December 2015				
Convertible loans	(197)	203	–	–
Equity securities	(467)	603	(467)	603
	(664)	806	(467)	603
31 December 2014				
Convertible loans	(330)	344	–	–
Equity securities	(396)	518	(396)	518
	(726)	862	(396)	518

Summary

The aggregate net fair values of recognised financial assets which are not carried at fair values in the statement of financial position as at 31 December are represented in the following table:

	2015		2014	
	Carrying value	Fair value	Carrying value	Fair value
	$'000	$'000	$'000	$'000
Group				
Financial assets				
Held-to-maturity investments	32,400	32,123	34,975	34,859
Unrecognised loss		277		116

43 ACCOUNTING JUDGEMENTS AND ESTIMATES

Management has assessed the development, selection and disclosure of the critical accounting judgements and estimates, and the application of these policies and estimates.

The following are critical accounting judgements or estimates made by the management in applying accounting policies:

Critical accounting judgements

Held-to-maturity financial assets

The Group has the intention and ability to hold the debt securities, which include quoted and unquoted corporate bonds to maturity. These securities will be redeemed upon maturity and will not be subject to disposal prior to maturity.

If the Group fails to hold these debt securities to maturity other than for specific circumstances explained in FRS 39 Financial Instruments, it will be required to classify the whole class as available-for-sale. The debt securities would therefore be measured at fair value and not amortised cost. If the class of held-to-maturity debt securities is tainted, its carrying amount would decrease by $276,627 (2014: decrease by $115,357) with a corresponding entry in the fair value reserve in equity.

Significant accounting estimates

Impairment losses on loans, advances, hire purchase, leasing and receivables

The Group reviews the loan portfolio to assess impairment on a regular basis. To determine whether there is an impairment loss, the Group makes judgements as to whether there is any observable data indicating a measurable decrease in the estimated future cash flows of the loan portfolio. The evidence may include observable data indicating adverse changes in the payment status of the borrowers or local economic conditions that correlate with defaults in the loan portfolio. The methodology and assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between estimated and actual loss experience.

Valuation and impairment losses on unquoted investments

Significant judgements and estimates are made by the Group for valuation of unquoted equities to assess impairment on a regular basis. Valuations of unquoted equities are based on management analysis using the discounted cashflows and net assets of the investee companies.

Provisions for unexpired risks and insurance claims

Provisions for unexpired risks and insurance claims as at 31 December 2015 have been assessed by the approved actuary (Ernst & Young Advisory Pte. Ltd.) in accordance with local insurance regulatory requirements.

The description of the principal estimates and assumptions underlying the determination of provisions for unexpired risks and insurance claims and the impact of changes in these estimates and assumptions are discussed in the sensitivity analysis set out in sections I and II of this note.

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

The process of establishing the provision for insurance claims is described in section II of this note.

The sensitivity analysis has been performed on a gross basis before accounting for reinsurance and on a net basis after accounting for reinsurance.

Users of these financial statements should take note of the following:

(a) The sensitivity analysis in sections I and II is based upon the assumptions set out in the actuarial report issued to the Group by the approved actuary for the financial year ended 31 December 2015. The sensitivity analysis is subject to the reliance that the approved actuary has placed on management and limitations described in the report. One particular reliance is that the net sensitivity results assume that all reinsurance recoveries are receivable in full;

(b) The estimates and assumptions discussed are independent of each other. However, in practice, a combination of adverse and favourable changes can occur; and

(c) The sensitivity results are not intended to capture all possible outcomes. Significantly more adverse or favourable results are possible.

I. Provision for unexpired risks – sensitivity analysis

The provision for unexpired risks is the higher of:

(a) The aggregate of the total best estimates of unexpired risk and the provision for adverse deviation ("PAD"); and

(b) Unearned premium reserves.

For short-term credit insurance policies, the provision for unexpired risks is based on the ultimate loss ratio for 2015 which is obtained from outstanding claim analysis. For bonds and guarantee insurance contracts, a simulation approach is used to project expected future losses. In the base scenario, the Group has selected a default rate of 0.50% to 4.53% based on each bond category (2014: 0.50% to 4.53%).

The provision for unexpired risks includes a PAD which is intended to provide a 75% probability of adequacy for the provision for unexpired risks. The PAD assumption relies on the approved actuary's inputs. An allowance for future management expenses and claim handling costs is made.

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

I. Provision for unexpired risks – sensitivity analysis (continued)

Based on the current assumptions, the gross and net provisions for unexpired risks are as follows:

	Net $'000	Gross $'000
2015		
Estimated provision for unexpired risks under the base scenario	**6,189**	**11,661**
2014		
Estimated provision for unexpired risks under the base scenario	5,919	13,512

Probability of default for bonds and guarantees

Probability of default of bonds and guarantees is computed based on historical claims experience of the Group. Under the base scenario, the Group has selected different default rates ranging from a minimum of 0.50% to 4.53% based on each bond category. Increasing and decreasing the average default rates by 0.5%, the provision will be modified as follows:

	High +0.5%	Low -0.5%	High +0.5%	Low -0.5%
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for unexpired risks	**7,533**	**6,184**	**14,983**	**11,661**
At 31 December 2014				
Provision for unexpired risks	7,385	5,915	16,801	13,512

Recovery rate for bonds and guarantees

Recovery rates for bonds and guarantees are computed based on published recovery rates from Moody's. Under the base scenario, the Group has allowed for recovery rate of 65% (2014: 65%) of the bond or guarantee value if it is called. Using rates of 75% or 55%, the provision for unexpired risks would change as follows:

	High 75%	Low 55%	High 75%	Low 55%
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for unexpired risks	**6,187**	**6,913**	**11,661**	**13,245**
At 31 December 2014				
Provision for unexpired risks	5,916	6,644	13,512	14,200

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

I. Provision for unexpired risks – sensitivity analysis (continued)

Claim handling expenses ("CHE")

Allowance for CHE relates to the costs of administering outstanding claims until all claims are fully settled. CHE is computed based on 5% of expected future losses and maintenance expenses computed at 8% of the Group's unearned premium reserves for all classes of business. The effects of increasing and reducing CHE by 1% (2014: 10%) are presented below:

	High +1%	Low -1%	High +1%	Low -1%
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for unexpired risks	6,252	6,188	11,661	11,661

	High +10%	Low -10%	High +10%	Low -10%
	Net $'000		Gross $'000	
At 31 December 2014				
Provision for unexpired risks	5,919	5,918	13,512	13,512

Provision for adverse deviation

The actuary has assumed premium PAD of 25% (2014: 25%) under the base scenario. If the assumed PAD is increased or decreased by 5% (2014: 10%), the resulting provision will be as follows:

	High +5%	Low -5%	High +5%	Low -5%
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for unexpired risks	6,363	6,189	11,662	11,661

	High +10%	Low -10%	High +10%	Low -10%
	Net $'000		Gross $'000	
At 31 December 2014				
Provision for unexpired risks	5,919	5,918	13,512	13,512

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

II. Provision for insurance claims – sensitivity analysis

Process of establishing provision for insurance claims

For short-term credit insurance contracts, the Group sets aside specific provisions based on actual claims notified by the policyholders. Each notified claim is assessed on a case-by-case basis with regards to the claim circumstances and information available from external sources. These specific provisions are reviewed and updated regularly as and when there are developments and are not discounted for the time value of money.

The Group closely monitors the relevant projects for which the bonds and guarantees are issued, and makes specific provisions should the Group be made aware of potential claim payments through its regular project monitoring.

Given the uncertainty in estimating the provision for insurance claims, it is likely that the actual outcome will be different from the provisions made based on internal provisioning. Accordingly, the Group engages an approved actuary to assess the adequacy of the Group's provision for insurance claims on an annual basis.

The reserving methodology and assumptions used by the approved actuary, which remain unchanged from the prior year, are intended to produce a "best" estimate of the provision for insurance claims through the analysis of historical claims payment and recovery data to project future claims payment. The "best" estimate is intended to represent the mean value of the range of future outcomes of the claim costs. The provision for insurance claims is expressed in terms of the present value of the future claim costs using discount rate based on the prevailing "risk free" rate chosen as the yield of Singapore Government Bonds.

For short-term credit insurance policies, claim development triangles are constructed using the historical number of paid claims. The chain ladder method is applied to the triangle to project the ultimate number of claims. Analysis of average cost per claim and reinsurance recovery rates is then performed to compute an average net cost per claim. The estimate of outstanding claims is then derived by combining these items.

The chain ladder method involves the analysis of historical claim number development factors and the selection of estimated development factors based on the historical pattern. The selected factors are then applied to the cumulative numbers of claims for each accident year, for which the data is not yet fully developed, to produce an estimated ultimate number of claims.

In estimating the provision for insurance claims, the actuary includes an allowance for claims handling expenses and maintenance cost which are intended to cover the costs of administering outstanding claims until all claims are fully settled.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

II. Provision for insurance claims – sensitivity analysis (continued)

Process of establishing provision for insurance claims (continued)

The actuary's estimate for the provision for insurance claims is subject to uncertainty and variations of the actual and expected experience are to be expected. The inherent uncertainty is due to the fact that the ultimate claim cost is subject to the outcome of future events. Possible uncertainties include those related to the selection of models and assumptions, the statistical uncertainty, the general business and economic environment, and the impact of legislative reform. A PAD is therefore made to allow for uncertainty surrounding the estimation process and is intended to provide a 75% probability of adequacy for the provision for insurance claims. The PAD assumption relies on the actuary's inputs. An allowance for future management expenses and claim handling costs is made.

Based on the current assumptions, the gross and net provisions for insurance claims are as follows:

	Net $'000	Gross $'000
2015		
Estimated provision for insurance claims under the base scenario	8,225	23,484
2014		
Estimated provision for insurance claims under the base scenario	5,388	16,905

Ultimate number of claims per million earned premiums in accident year 2015 for short-term credit insurance

The ultimate number of claims is computed based on loss development triangles constructed using the number of paid claims from prior years. As the most recent accident years are relatively underdeveloped, an exposure-based method has been adopted to estimate the ultimate number of claims in these accident years.

In estimating the number of outstanding claims under the base scenario, the Company has assumed that there will be approximately 0 to 2 (2014: 1 to 2) claims per million of earned premiums for the last 2 accident years. If the ultimate number of claims per million of earned premiums increases or decreases by one claim in the accident year 2015, the corresponding gross and net provisions for insurance claims are set out as follows:

	High +1 claim	Low -1 claim	High +1 claim	Low -1 claim
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for insurance claims	8,488	8,093	24,174	23,139

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

II. Provision for insurance claims – sensitivity analysis (continued)

Process of establishing provision for insurance claims (continued)

Ultimate number of claims per million earned premiums in accident year 2015 for short-term credit insurance (continued)

	High +1 claim	Low -1 claim	High +1 claim	Low -1 claim
	Net $'000		Gross $'000	
At 31 December 2014				
Provision for insurance claims	5,478	5,297	17,177	16,633

Average claim size for short-term credit insurance

Analyses on average cost per claim and reinsurance recovery rates are performed to derive an average net cost per claim.

The Group has assumed an average claim size of $100,000 (2014: $39,400) under the base scenario. If the average claim size is assumed to be $110,000 (High) and $90,000 (Low) (2014: $43,340 (High) and $35,460 (Low)), the corresponding gross and net provisions for insurance claims will be as follows:

	High $110,000	Low $90,000	High $110,000	Low $90,000
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for insurance claims	**8,251**	**8,198**	**23,553**	**23,415**

	High $43,340	Low $35,460	High $43,340	Low $35,640
	Net $'000		Gross $'000	
At 31 December 2014				
Provision for insurance claims	5,401	5,374	16,945	16,865

Claim handling expenses ("CHE")

Allowance for CHE relates to the costs of administering outstanding claims until all claims are fully settled. CHE is computed based on 5% (2014: 5%) of incurred-but-not-reported claims and 2.5% (2014: 2.5%) of case reserves.

43 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Significant accounting estimates (continued)

Provisions for unexpired risks and insurance claims (continued)

II. Provision for insurance claims – sensitivity analysis (continued)

Claim handling expenses ("CHE") (continued)

The effects of varying CHE by 1% (both upwards and downwards) are presented below:

	High +1%	Low -1%	High +1%	Low -1%
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for insurance claims	**8,252**	**8,198**	**23,511**	**23,457**
At 31 December 2014				
Provision for insurance claims	5,399	5,377	16,916	16,894

Provision for adverse deviation ("PAD")

Provision for insurance claims also includes a PAD which will provide a 75% probability of adequacy for the provision for insurance claims.

The Group has assumed a claim PAD of 15% to 20% (2014: 15% to 20%) under the base scenario. Increasing or decreasing the PAD by 5% (2014:10%) results in changes in provision as follows:

	High +10%	Low -10%	High +10%	Low -10%
	Net $'000		Gross $'000	
At 31 December 2015				
Provision for insurance claims	**8,324**	**8,125**	**23,639**	**23,329**
At 31 December 2014				
Provision for insurance claims	5,418	5,358	16,963	16,847

44 OPERATING SEGMENTS

The Group has three 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 centralized support costs and funding costs. Inter-segment pricing where appropriate, is determined on an arm's length basis. The Group's CEO reviews the internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Credit financing:	Credit financing encompasses commercial, alternative and structured finance businesses and focuses on providing services to corporate clients, mainly the small and medium-sized enterprises. The commercial services provided include factoring, accounts receivable financing, trade financing, mortgage financing, working capital, financing for overseas operations, hire purchase as well as participating in financing by SPRING and IES under LEFS and IF Scheme respectively. Where conventional forms of commercial finance are inadequate, alternative and structured financial solutions are offered to clients to address either equity or debt capital requirements.
Insurance:	The provision of credit insurance facilities to Singapore exporters and the issue of performance bonds and guarantees, domestic maid insurance, spa insurance for pre-paid packages, marine cargo and motor insurance, political risks, contractors' all risks 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 mezzanine financing, convertible debt instruments and direct private equity investments.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

44 OPERATING SEGMENTS (CONTINUED)

Information about reportable segments

	Credit financing $'000	Insurance $'000	Private equity and other investments $'000	Total $'000
2015				
Operating results				
Total operating income	31,678	5,354	1,152	38,184
Reportable segment (loss)/profit before tax	(9,298)	(4,011)	682	(12,627)
Net interest income	18,242	–	–	18,242
Net earned premium revenue	–	4,459	–	4,459
Non-interest income	6,767	895	1,152	8,814
Other material non-cash items				
– (Provisions for)/reversal of loan losses and impairment of other assets	(18,933)	153	(328)	(19,108)
– Depreciation and amortisation	(1,177)	(278)	(38)	(1,493)
Assets and liabilities				
Reportable segment assets	277,101	80,572	28,963	386,636
Capital expenditure	2,885	435	–	3,320
Reportable segment liabilities	240,681	38,194	330	279,205
2014				
Operating results				
Total operating income	31,684	7,695	800	40,179
Reportable segment loss before tax	(3,920)	(2,488)	(1,199)	(7,607)
Net interest income	18,539	–	–	18,539
Net earned premium revenue	–	3,880	–	3,880
Non-interest income	7,572	3,815	800	12,187
Other material non-cash items				
– (Provisions for)/reversal of loan losses and impairment of investments	(14,889)	73	(986)	(15,802)
– Depreciation and amortisation	(1,106)	(142)	(54)	(1,302)
Assets and liabilities				
Reportable segment assets	292,017	80,228	24,320	396,565
Capital expenditure	674	496	–	1,170
Reportable segment liabilities	236,868	33,825	351	271,044

44 OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment operating income, profit or loss, assets and liabilities and other material items

	2015 $'000	2014 $'000
Operating income		
Interest income	**25,222**	24,607
Net earned premium revenue	**4,459**	3,880
Fee and commission income	**6,985**	8,694
Investment income	**1,518**	2,998
Total operating income for reportable segments	**38,184**	40,179
Loss		
Total loss for reportable segments	**(12,627)**	(7,607)
Consolidated loss before tax	**(12,627)**	(7,607)
Non-interest income		
Total non-interest income for reportable segments	**8,814**	12,187
Consolidated non-interest income	**8,814**	12,187
Assets		
Total assets for reportable segments	**386,636**	396,565
Other unallocated amounts	**6,842**	7,700
Consolidated assets	**393,478**	404,265
Liabilities		
Total liabilities for reportable segments	**279,205**	271,044
Other unallocated amounts	**789**	1,419
Consolidated liabilities	**279,994**	272,463

Geographical segments

In view of the Group's continuing efforts to develop its businesses across the region, resources are now allocated mainly to the five principal geographical areas.

Geographical segments are analysed by five principal geographical areas. *Singapore, Thailand, Malaysia, Indonesia and Others* are the major markets for credit financing and insurance activities. *Others* are also the markets for private equity and other investment 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

44 OPERATING SEGMENTS (CONTINUED)

Geographical segments (continued)

Geographical information

	Operating income $'000	Non-current assets $'000	Total assets $'000
2015			
Singapore	**17,348**	**15,153**	**235,210**
Thailand	**14,347**	**4,227**	**140,251**
Malaysia	**3,883**	**235**	**12,099**
Indonesia	**2,236**	**31**	**5,146**
Others	**370**	**–**	**772**
	38,184	**19,646**	**393,478**
2014			
Singapore	18,098	15,675	231,545
Thailand	14,530	1,828	134,680
Malaysia	4,408	306	12,411
Indonesia	2,118	64	17,127
Others	1,025	–	8,502
	40,179	17,873	404,265

ADDITIONAL INFORMATION

YEAR ENDED 31 DECEMBER 2015

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 December 2015, all interested person transactions, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company were less than S$100,000. Hence, no disclosure is required in the Annual Report.

MATERIAL CONTRACTS INVOLVING DIRECTORS' INTEREST

Saved as disclosed in the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of the directors.

STATISTICS OF SHAREHOLDINGS
AS AT 7 MARCH 2016

SHARE CAPITAL

Issued and Paid-up Share Capital	:	$88,278,936
Number of Shares	:	150,387,866
Class of Shares	:	ordinary shares
Voting Rights	:	one vote per share

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	39	1.02	1,544	0.00
100 – 1,000	125	3.26	51,162	0.03
1,001 – 10,000	2,640	68.78	10,073,446	6.70
10,001 – 1,000,000	1,025	26.71	42,763,708	28.44
1,000,001 and above	9	0.23	97,498,006	64.83
Total	3,838	100.00	150,387,866	100.00

TOP TWENTY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PHILLIP SECURITIES PTE LTD	62,697,432	41.69
2	SMRT ROAD HOLDINGS LTD	10,309,312	6.86
3	LEE BOON LEONG	6,824,400	4.54
4	DBS NOMINEES PTE LTD	5,477,385	3.64
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	5,424,524	3.61
6	OCBC NOMINEES SINGAPORE PTE LTD	2,326,053	1.55
7	LEE CHUE CHYE, LIONEL	2,041,200	1.36
8	LEE SOON KIE	1,386,900	0.92
9	TAN SOON LIN	1,010,800	0.67
10	NG CHIT TONG PETER	934,780	0.62
11	RAFFLES NOMINEES (PTE) LTD	659,280	0.44
12	LAI WENG KAY	592,000	0.39
13	NG SOH LIAN	552,000	0.37
14	CITIBANK NOMINEES SINGAPORE PTE LTD	513,090	0.34
15	KWAH THIAM HOCK	508,200	0.34
16	BOON KOK HUP	500,060	0.33
17	TAN LI CHENG NEE LEE	493,680	0.33
18	QUEK HWEE INN	450,000	0.30
19	KOH CHIN CHAI	442,000	0.29
20	TEO YEW HOCK	413,260	0.27
	Total	103,556,356	68.86

STATISTICS OF SHAREHOLDINGS
AS AT 7 MARCH 2016

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 7 March 2016, approximately 50.2% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as recorded in the Register of Substantial Shareholders as at 7 March 2016

	No. of Shares			
Substantial Shareholder	**Direct Interest**	**Deemed Interest**	**Total Interest**	**%**
Phillip Assets Pte. Ltd.	61,489,957[1]	–	61,489,957	40.89
Lim Hua Min	–	61,489,957[2]	61,489,957	40.89
SMRT Road Holdings Ltd	10,309,312	–	10,309,312	6.86
Temasek Holdings (Private) Limited	–	10,348,312[3]	10,348,312	6.88

Notes:

1 Deposited with the Depository Agent, Phillip Securities Pte. Ltd.

2 Mr Lim Hua Min is deemed to have an interest in the 61,489,957 shares held by Phillip Assets Pte. Ltd.

3 Temasek Holdings (Private) Limited is deemed to have an interest in SMRT Road Holdings Ltd's direct interest of 10,309,312 shares and ST Asset Management Ltd's deemed interest of 39,000 shares.

NOTICE OF
ANNUAL GENERAL MEETING

IFS CAPITAL LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198700827C

NOTICE IS HEREBY GIVEN that the Twenty-Ninth (29th) Annual General Meeting of IFS Capital Limited (the "**Company**") will be held at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, on Wednesday, 27 April 2016 at 2.00 p.m. for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$243,200 (2014: S$243,200) for the financial year ended 31 December 2015. **(Resolution 2)**

3. To re-elect the following Directors retiring by rotation in accordance with Article 91 of the Constitution of the Company:
   (a) Mr Lim Hua Min **(Resolution 3(a))**
   (b) Mr Kwah Thiam Hock **(Resolution 3(b))**

4. To re-appoint Mr Law Song Keng, a Director retiring under the resolution passed at the Annual General Meeting of the Company held on 22 April 2015 pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (which was then in force), to hold office from the date of this Annual General Meeting. **(Resolution 4)**

5. To re-elect Mr Tan Hai Leng Eugene, a Director retiring in accordance with Article 97 of the Constitution of the Company. **(Resolution 5)**

6. To re-appoint KPMG LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider, and if thought fit, to pass with or without modifications, the following resolutions, of which Resolution 7 will be proposed as an Ordinary Resolution and Resolution 8 will be proposed as a Special Resolution:

7. That authority be and is hereby given to the Directors to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. of the total number of issued shares of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 7)**

8. That the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution. **(Resolution 8)**

By Order of the Board

Chionh Yi Chian
Company Secretary
IFS Capital Limited

Singapore
1 April 2016

NOTICE OF
ANNUAL GENERAL MEETING

Notes:

(a) (i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(b) A proxy need not be a member of the Company.

(c) The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time appointed for holding the Annual General Meeting.

1. Notes to Resolutions 3(a), 3(b) and 5:

In relation to Resolution 3(a), Mr Lim Hua Min will, upon re-election as a Director of the Company, continue to serve as a Member of the Executive Resource and Compensation Committee.

In relation to Resolutions 3(a), 3(b) and 5, please refer to the "Board of Directors" section in the Annual Report 2015 for further information on Mr Lim Hua Min, Mr Kwah Thiam Hock and Mr Tan Hai Leng Eugene.

2. Notes to Resolution 4:

Resolution 4 is to re-appoint Mr Law Song Keng as a Director of the Company. Mr Law is retiring under the resolution passed at the Annual General Meeting held on 22 April 2015 pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore which was then in force, as such resolution could only permit the re-appointment of Mr Law to hold office until the Twenty-Ninth (29^{th}) Annual General Meeting. If passed, Resolution 4 will approve and authorise the continuation of Mr Law in office from the date of the Twenty-Ninth (29^{th}) Annual General Meeting onwards without limitation in tenure, save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

Mr Law will, upon re-appointment as a Director of the Company, continue to serve as a Member of the Audit Committee. Mr Law is considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. For further information on Mr Law, please refer to the "Board of Directors" section in the Annual Report 2015.

NOTICE OF ANNUAL GENERAL MEETING

3. Notes to Resolution 7:

Resolution 7 is to empower the Directors to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares of the Company (excluding treasury shares), with a sub-limit of 20 per cent. for issues other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of the issued shares of the Company (excluding treasury shares) at the time that Resolution 7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 7 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of shares.

4. Notes to Resolution 8:

Resolution 8 is to approve the adoption of a new Constitution following the wide-ranging changes to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") introduced pursuant to the Companies (Amendment) Act 2014 (the "**Amendment Act**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 and incorporate amendments to (*inter alia*) take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Resolution 8 will be proposed as a Special Resolution. Please refer to the Company's Letter to Shareholders dated 1 April 2016 for more details.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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IFS CAPITAL LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198700827C

PROXY FORM

Twenty-Ninth (29th) Annual General Meeting

IMPORTANT

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in IFS Capital Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 April 2016.

I/We ________________________________ (Name) ____________________ (NRIC/Passport No./Co. Regn No.)

of ____ (Address)

being a member/members of **IFS Capital Limited** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Twenty-Ninth (29th) Annual General Meeting of the Company to be held at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, on Wednesday, 27 April 2016 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting (of which Resolutions 1 to 7 will be proposed as Ordinary Resolutions and Resolution 8 will be proposed as a Special Resolution) as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

	Resolutions Relating To:	For*	Against*
Routine Business			
1	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report		
2	Approval of Directors' Fees amounting to S$243,200		
3(a)	Re-election of Director: Mr Lim Hua Min		
3(b)	Re-election of Director: Mr Kwah Thiam Hock		
4	Re-appointment of Director: Mr Law Song Keng		
5	Re-election of Director: Mr Tan Hai Leng Eugene		
6	Re-appointment of KPMG LLP as Auditors		
Special Business			
7	Ordinary Resolution: Authority for Directors to Issue Shares and Instruments Convertible into Shares		
8	Special Resolution: Adoption of new Constitution		

* *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please indicate with an "X" in the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ________________ 2016

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES TO PROXY FORM OVERLEAF

NOTES TO PROXY FORM:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument appointing a proxy or proxies, to the Annual General Meeting.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for holding the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General

The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register at least 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

IFS Capital Limited

c/o M & C Services Private Limited

112 Robinson Road #05-01

Singapore 068902

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MAIN SUBSIDIARIES AND AFFILIATED COMPANIES

SUBSIDIARIES

ECICS LIMITED
7 Temasek Boulevard #10-01
Suntec Tower One
Singapore 038987
Tel: (65) 6337 4779
Fax: (65) 6338 9267

IFS CAPITAL ASSETS PRIVATE LIMITED

IFS CAPITAL INTELLECTUAL PROPERTY PRIVATE LIMITED

IFS VENTURES PRIVATE LIMITED

IFS VENTURES 2 LIMITED

7 Temasek Boulevard #10-01
Suntec Tower One
Singapore 038987
Tel: (65) 6270 5555
Fax: (65) 6339 9527

IFS CAPITAL (MALAYSIA) SDN. BHD.

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