

Statements of Financial Position

| | NOTES | GROUP | | | COMPANY | | |
|--|-------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | 31-Dec-17 Rs'000 | 31-Dec-16 Rs'000 | 30-Jun-17 Rs'000 | 31-Dec-17 Rs'000 | 31-Dec-16 Rs'000 | 30-Jun-17 Rs'000 |
| ASSETS EMPLOYED | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | |
| Intangible assets | | 27,919 | 32,027 | 30,077 | - | - | - |
| Property, plant and equipment | 3 | 612,674 | 525,206 | 600,287 | - | - | - |
| Investments in associates | | 5,310,639 | 5,128,073 | 5,317,033 | 2,382,030 | 1,740,039 | 2,223,313 |
| Investment in subsidiary | | - | - | - | 200,000 | 200,000 | 200,000 |
| Investment securities - available-for-sale | | 454,210 | 443,680 | 452,703 | 454,210 | 443,680 | 452,703 |
| Loan receivable | | 306,896 | 289,593 | 299,908 | 409,068 | 391,966 | 405,479 |
| Finance lease receivables | 4 | 2,369,004 | 2,507,603 | 2,485,310 | - | - | - |
| Deposits with financial institutions | | 224,544 | 216,794 | 220,803 | - | - | - |
| | | 9,305,886 | 9,142,976 | 9,406,121 | 3,445,308 | 2,775,685 | 3,281,495 |
| CURRENT ASSETS | | | | | | | |
| | | 1,640,448 | 1,625,009 | 1,653,728 | 18,279 | 14,399 | 49,745 |
| CURRENT LIABILITIES | | | | | | | |
| | | (1,933,427) | (2,006,086) | (1,927,206) | (791,080) | (806,823) | (807,020) |
| NET CURRENT LIABILITIES | | | | | | | |
| | | (292,979) | (381,077) | (273,478) | (772,801) | (792,424) | (757,275) |
| | | 9,012,907 | 8,761,899 | 9,132,643 | 2,672,507 | 1,983,261 | 2,524,220 |
| FINANCED BY | | | | | | | |
| SHARE CAPITAL | | | | | | | |
| | | 103,355 | 103,355 | 103,355 | 103,355 | 103,355 | 103,355 |
| RETAINED EARNINGS | | | | | | | |
| | | 1,947,348 | 1,990,782 | 1,968,113 | 15,133 | 4,509 | 34,058 |
| OTHER COMPONENTS OF EQUITY | | | | | | | |
| | | 3,407,410 | 3,167,161 | 3,391,187 | 2,247,123 | 1,585,804 | 2,086,899 |
| SHAREHOLDERS' INTERESTS | | | | | | | |
| | | 5,458,113 | 5,261,298 | 5,462,655 | 2,365,611 | 1,693,668 | 2,224,312 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Deposits | | 3,032,363 | 2,750,363 | 3,041,260 | - | - | - |
| Borrowings | | 502,167 | 724,292 | 609,401 | 306,896 | 289,593 | 299,908 |
| Deferred tax liabilities | | 20,264 | 25,946 | 19,327 | - | - | - |
| | | 3,554,794 | 3,500,601 | 3,669,988 | 306,896 | 289,593 | 299,908 |
| | | 9,012,907 | 8,761,899 | 9,132,643 | 2,672,507 | 1,983,261 | 2,524,220 |
| NET ASSETS PER SHARE (Rs.) | | | | | | | |
| | | 52.81 | 50.91 | 52.85 | | | |

Statements of Profit or Loss

| | GROUP | | | | | COMPANY | | | | |
|---|----------------|------------|----------------|-------------|-----------|---------------|------------|---------------|-------------|-----------|
| | Quarter to | Quarter to | 6 Months to | 6 Months to | Year to | Quarter to | Quarter to | 6 Months to | 6 Months to | Year to |
| | 31-Dec-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 | 30-Jun-17 | 31-Dec-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 | 30-Jun-17 |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Revenue | 125,595 | 135,007 | 256,143 | 258,593 | 497,234 | 21,131 | 17,426 | 70,905 | 25,649 | 82,173 |
| Other income | 49,805 | 58,415 | 104,137 | 104,096 | 195,341 | 18,219 | 14,122 | 64,269 | 18,790 | 71,232 |
| (Loss)/profit on exchange | (34) | 563 | (275) | 546 | 99 | (34) | 563 | (275) | 546 | 99 |
| Finance income | 75,456 | 76,592 | 152,266 | 154,497 | 304,595 | 2,912 | 3,304 | 6,636 | 6,859 | 13,643 |
| Finance costs | (62,576) | (63,849) | (126,234) | (127,192) | (254,099) | (12,311) | (13,741) | (25,493) | (26,905) | (53,892) |
| Operating expenses | (50,243) | (41,479) | (99,008) | (82,885) | (185,988) | (775) | (786) | (1,392) | (1,384) | (2,809) |
| Operating profit/(loss) before impairment | 12,408 | 30,242 | 30,886 | 49,062 | 59,948 | 8,011 | 3,462 | 43,745 | (2,094) | 28,273 |
| Net impairment of financial assets | (6,493) | (5,524) | (8,478) | (8,024) | (42,793) | - | - | - | - | - |
| Operating profit/(loss) | 5,915 | 24,718 | 22,408 | 41,038 | 17,155 | 8,011 | 3,462 | 43,745 | (2,094) | 28,273 |
| Share of profits of associates | 886 | 17,671 | 27,505 | 60,214 | 70,337 | - | - | - | - | - |
| Profit/(loss) before tax | 6,801 | 42,389 | 49,913 | 101,252 | 87,492 | 8,011 | 3,462 | 43,745 | (2,094) | 28,273 |
| Income tax expense | (4,117) | (6,392) | (9,434) | (10,433) | (5,508) | (268) | - | (657) | - | (818) |
| Profit/(loss) attributable to equity holders of the parent | 2,684 | 35,997 | 40,479 | 90,819 | 81,984 | 7,743 | 3,462 | 43,088 | (2,094) | 27,455 |
| Earnings per share (Re.) | 0.03 | 0.35 | 0.39 | 0.88 | 0.79 | | | | | |
| Number of shares in issue (thousands) | 103,355 | 103,355 | 103,355 | 103,355 | 103,355 | | | | | |

Statements of Comprehensive Income

| | GROUP | | | | | COMPANY | | | | |
|--|-----------------|------------|---------------|-------------|-----------|-----------------|------------|----------------|-------------|-----------|
| | Quarter to | Quarter to | 6 Months to | 6 Months to | Year to | Quarter to | Quarter to | 6 Months to | 6 Months to | Year to |
| | 31-Dec-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 | 30-Jun-17 | 31-Dec-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 | 30-Jun-17 |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Profit/(loss) attributable to equity holders of the parent | 2,684 | 35,997 | 40,479 | 90,819 | 81,984 | 7,743 | 3,462 | 43,088 | (2,094) | 27,455 |
| Other comprehensive (expense)/income: | | | | | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | | | | | |
| Share of other comprehensive expense of associates | - | - | - | - | (7,286) | - | - | - | - | - |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | | | | |
| Net fair value (loss)/gain on investments in associates | - | - | - | - | - | (35,020) | (170,114) | 158,717 | 64,717 | 547,991 |
| Net fair value gain/(loss) on available-for-sale investments | 1,656 | (11,660) | 1,507 | (7,739) | 10,082 | 1,656 | (11,660) | 1,507 | (7,739) | 10,082 |
| Share of other comprehensive (expense)/income of associates | (34,414) | (314) | 14,338 | 42,465 | 242,148 | - | - | - | - | - |
| Other comprehensive (expense)/income for the period | (32,758) | (11,974) | 15,845 | 34,726 | 252,230 | (33,364) | (181,774) | 160,224 | 56,978 | 558,073 |
| Total comprehensive (expense)/income attributable to equity holders of the parent | (30,074) | 24,023 | 56,324 | 125,545 | 326,928 | (25,621) | (178,312) | 203,312 | 54,884 | 585,528 |

Statements of Changes in Equity

| | Share Capital | Retained Earnings | Capital Reserve | Revaluation & Other Reserve | Statutory Reserve | General Risk Reserve | Total |
|---|----------------|-------------------|-----------------|-----------------------------|-------------------|----------------------|------------------|
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| GROUP | | | | | | | |
| At 1st July 2016 | 103,355 | 1,824,343 | 377,832 | 2,663,858 | 79,255 | 19,658 | 5,068,301 |
| Profit for the period | - | 90,819 | - | - | - | - | 90,819 |
| Other comprehensive (expense)/income for the period | - | - | (29) | 34,755 | - | - | 34,726 |
| Total comprehensive income/(expense) for the period | - | 90,819 | (29) | 34,755 | - | - | 125,545 |
| Share of transfer by associate | - | 9,074 | - | (9,074) | - | - | - |
| Share of changes in ownership interests of associate's subsidiary | - | 69,674 | - | - | - | - | 69,674 |
| Share of employee share options exercised in associate | - | (2,987) | - | 853 | - | - | (2,134) |
| Share of other movements in reserves of associates | - | (141) | - | 53 | - | - | (88) |
| At 31st December 2016 | 103,355 | 1,990,782 | 377,803 | 2,690,445 | 79,255 | 19,658 | 5,261,298 |
| At 1st July 2016 | 103,355 | 1,824,343 | 377,832 | 2,663,858 | 79,255 | 19,658 | 5,068,301 |
| Profit for the year | - | 81,984 | - | - | - | - | 81,984 |
| Other comprehensive (expense)/income for the year | - | (8,024) | (38) | 253,006 | - | - | 244,944 |
| Total comprehensive income/(expense) for the year | - | 73,960 | (38) | 253,006 | - | - | 326,928 |
| Share of transfer by associate | - | 10,306 | - | (10,306) | - | - | - |
| Share of changes in ownership interests of associate's subsidiary | - | 69,616 | - | - | - | - | 69,616 |
| Effect of employee share options exercised in associate | - | (2,955) | - | 856 | - | - | (2,099) |
| Share of other movements in reserves of associate | - | (91) | - | - | - | - | (91) |
| Transfer to statutory reserve | - | (7,066) | - | - | 7,066 | - | - |
| At 30th June 2017 | 103,355 | 1,968,113 | 377,794 | 2,907,414 | 86,321 | 19,658 | 5,462,655 |
| Profit for the period | - | 40,479 | - | - | - | - | 40,479 |
| Other comprehensive income/(expense) for the period | - | 110 | (2) | 15,737 | - | - | 15,845 |
| Total comprehensive income/(expense) for the period | - | 40,589 | (2) | 15,737 | - | - | 56,324 |
| Share of transfer by associate | - | 130 | - | (130) | - | - | - |
| Dividends | - | (62,013) | - | - | - | - | (62,013) |
| Effect of employee share options exercised in associate | - | (2,312) | - | 795 | - | - | (1,517) |
| Share of other movements in reserves of associates | - | 2,664 | - | - | - | - | 2,664 |
| Transfer from statutory reserve | - | 177 | - | - | (177) | - | - |
| At 31st December 2017 | 103,355 | 1,947,348 | 377,792 | 2,923,816 | 86,144 | 19,658 | 5,458,113 |
| COMPANY | | | | | | | |
| At 1st July 2016 | 103,355 | 6,603 | 100,596 | 1,428,230 | - | - | 1,638,784 |
| Loss for the period | - | (2,094) | - | - | - | - | (2,094) |
| Other comprehensive income for the period | - | - | - | 56,978 | - | - | 56,978 |
| Total comprehensive (expense)/income for the period | - | (2,094) | - | 56,978 | - | - | 54,884 |
| At 31st December 2016 | 103,355 | 4,509 | 100,596 | 1,485,208 | - | - | 1,693,668 |
| At 1st July 2016 | 103,355 | 6,603 | 100,596 | 1,428,230 | - | - | 1,638,784 |
| Profit for the year | - | 27,455 | - | - | - | - | 27,455 |
| Other comprehensive income for the year | - | - | - | 558,073 | - | - | 558,073 |
| Total comprehensive income for the year | - | 27,455 | - | 558,073 | - | - | 585,528 |
| At 30th June 2017 | 103,355 | 34,058 | 100,596 | 1,986,303 | - | - | 2,224,312 |
| Profit for the period | - | 43,088 | - | - | - | - | 43,088 |
| Other comprehensive income for the period | - | - | - | 160,224 | - | - | 160,224 |
| Total comprehensive income for the period | - | 43,088 | - | 160,224 | - | - | 203,312 |
| Dividends | - | (62,013) | - | - | - | - | (62,013) |
| At 31st December 2017 | 103,355 | 15,133 | 100,596 | 2,146,527 | - | - | 2,365,611 |

Statements of Cash Flows

| | GROUP | | | COMPANY | | |
|---|------------------|-------------|-----------|------------------|-------------|-----------|
| | 6 Months to | 6 Months to | Year to | 6 Months to | 6 Months to | Year to |
| | 31-Dec-17 | 31-Dec-16 | 30-Jun-17 | 31-Dec-17 | 31-Dec-16 | 30-Jun-17 |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Net cash flows from operating activities | 262,598 | 285,476 | 677,945 | 78,836 | 79,826 | 69,103 |
| Income tax paid | (4,861) | (2,809) | (11,870) | (227) | (494) | (1,141) |
| Investing activities | (77,685) | (157,850) | (270,651) | - | (53,395) | (41,895) |
| Net cash flows before financing activities | 180,052 | 124,817 | 395,424 | 78,609 | 25,937 | 26,067 |
| Financing activities | | | | | | |
| Net decrease in borrowings | (120,875) | (38,133) | (224,864) | - | - | - |
| Dividends paid | (62,013) | (62,013) | (62,013) | (62,013) | (62,013) | (62,013) |
| Net cash flows from financing activities | (182,888) | (100,146) | (286,877) | (62,013) | (62,013) | (62,013) |
| (Decrease)/Increase in cash and cash equivalents | (2,836) | 24,671 | 108,547 | 16,596 | (36,076) | (35,946) |
| Net cash and cash equivalents brought forward | (520,406) | (628,953) | (628,953) | (804,406) | (768,460) | (768,460) |
| Net cash and cash equivalents carried forward | (523,242) | (604,282) | (520,406) | (787,810) | (804,536) | (804,406) |

NOTES

1. The financial statements are unaudited and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30th June 2017 and comply with IAS 34.

2. COMMENTS

Group profit attributable to shareholders for the half year ended 31st December 2017 reached Rs 40.5 million, down from Rs 90.8 million for the corresponding period last year.

Finlease, our wholly owned leasing subsidiary, posted reduced profits of Rs 29.7 million compared to Rs 46.2 million last year. This is mainly explained by a flat lease portfolio amidst an excess liquidity environment and falling interest margins and a one-off compensation of Rs 14.7 million received last year in respect of claims for funds not disbursed under the previous Lease Equipment and Modernisation Scheme.

At the level of our associates, Caudan Development Ltd posted improved results largely due to lower finance charges following the rights issue. On the other hand, the contribution from Promotion and Development Ltd (PAD) was adversely impacted by losses generated by Medine Ltd on the back of lower proceeds from sugar related activities as well as lower profits generated on sale of land. As a result, the share of profits from our associates decreased from Rs 60.2 million to Rs 27.5 million.

3. PROPERTY, PLANT AND EQUIPMENT

Assets under operating leases included under the above caption

| GROUP | | |
|----------------|----------------|----------------|
| 31-Dec-17 | 31-Dec-16 | 30-Jun-17 |
| Rs'000 | Rs'000 | Rs'000 |
| 611,131 | 523,583 | 598,538 |

4. FINANCE LEASE RECEIVABLES

Receivable within one year and included in current assets

1,305,448 1,392,708 1,307,431

Receivable after one year

2,369,004 2,507,603 2,485,310

3,674,452 3,900,311 3,792,741

5. OPERATING EXPENSES

Depreciation of assets under operating leases included in operating expenses

68,109 54,655 116,772

6. OPERATING SEGMENTS

6 months to 31st December 2017

Segment revenue

256,143 246,215 70,905 (60,977)

Operating profit

22,408 36,707 43,745 (58,044)

6 months to 31st December 2016

Segment revenue

258,593 249,960 25,649 (17,016)

Operating profit/(loss)

41,038 56,665 (2,094) (13,533)

Year ended 30th June 2017

Segment revenue

497,234 484,490 82,173 (69,429)

Operating profit

17,155 51,798 28,273 (62,916)

7. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.

8. Copies of the abridged unaudited interim financial statements are available to the public and can be obtained free of charge from the Company Secretary at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.fincorp.mu

9. The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company.

10. The abridged unaudited interim financial statements were approved for issue by the Board of Directors on the 12th February 2018.

11. This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of Fincorp Investment Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

BY ORDER OF THE BOARD