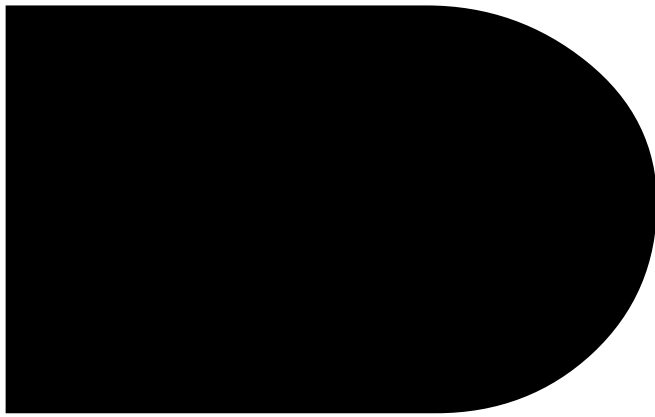


**THE INVESTMENT
MAGAZINE**

by: PROVEN Group Limited

DECEMBER 31, 2023 EDITION



FINANCIAL HIGHLIGHTS



Nine months ended December 2023

US\$**50.8** million

Net Revenue growth of **18.5%**

US\$**17.95** million

Net Profit growth of 447%



US\$**0.0224**

Earnings
per Share



US\$**0.0015**

Quarterly Declared
Dividend per Share



US\$**1.08** billion
Consolidated
Total Assets

US\$**1.65** billion
Total Assets Under
Management

PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

The Board of Directors of PROVEN Group Limited (“PROVEN”, the “Group”) is pleased to report its unaudited financial results for the nine months ended December 31, 2023.

PROVEN Group Limited achieved net revenue of US\$50.8 million for the nine-month period ended December 31, 2023, an increase of 18.5% when compared to the US\$42.9 million recorded over the comparable period last year and has surpassed the US\$49.6 million earned for the entire previous financial year ended March 31, 2023. Widening of spreads, mainly from the banking division and improved performance from our subsidiaries and associated companies within the Group drove the revenue expansion in the third quarter of the financial year.

Since July 2023, the US Federal Reserve has shifted from monetary tightening to a monetary pause, keeping the benchmark interest rate at 5.25%-5.50%. This is based on the general downtrend in headline inflation in 2023, influenced by declining energy prices year over year.

US core inflation, which excludes energy, fell from 5.7% in December 2022 to 3.9% in December 2023. However, we believe the core inflation persisting above the 2% inflation target may keep interest rates higher for longer, even if an interest rate reduction cycle begins in 2024. The market anticipates 7 policy rate cuts for 2024 beginning in March, but we estimate a result closer to a maximum of 3 cuts. There is also the possibility of a negative inflation surprise given the odds of the Gaza-Israel conflict impacting oil prices and the chance of geopolitical tension in the Red Sea impacting shipping rates in 2024. This may also influence Central Banks other than the US Federal Reserve to adopt a similar stance for the year.

The loan and investment portfolios across the Group are expected to produce higher spreads in the near term, however the high interest rate environment may increase the incidents of risk of delinquencies and defaults. The real estate holdings of the Group serve as a hedge against inflation, while we focus on expanding the fund management business as a source of fee income growth. The Board is encouraged by the Group's earnings trajectory over the past nine months and expects this performance to continue for the remainder of the financial year.



MOVE WITH US, CAYMAN WE'RE NOW PROVEN

Your community banking and wealth management options now have backing and expertise from the PROVEN Group of companies. Join us in the transition as we rebrand over the coming months.

PROVEN
BANK

Fidelity Bank is now PROVEN Bank

PROVEN Bank keeps your life and money moving while maintaining all of the services you've come to rely on. Move With Us.

provenbank.com

PROVEN
WEALTH

International Financial Planning (IFP) is now PROVEN Wealth

PROVEN Wealth supports your desired lifestyle and goals with solid investment options to grow your wealth. Move With Us, Grow With Us.

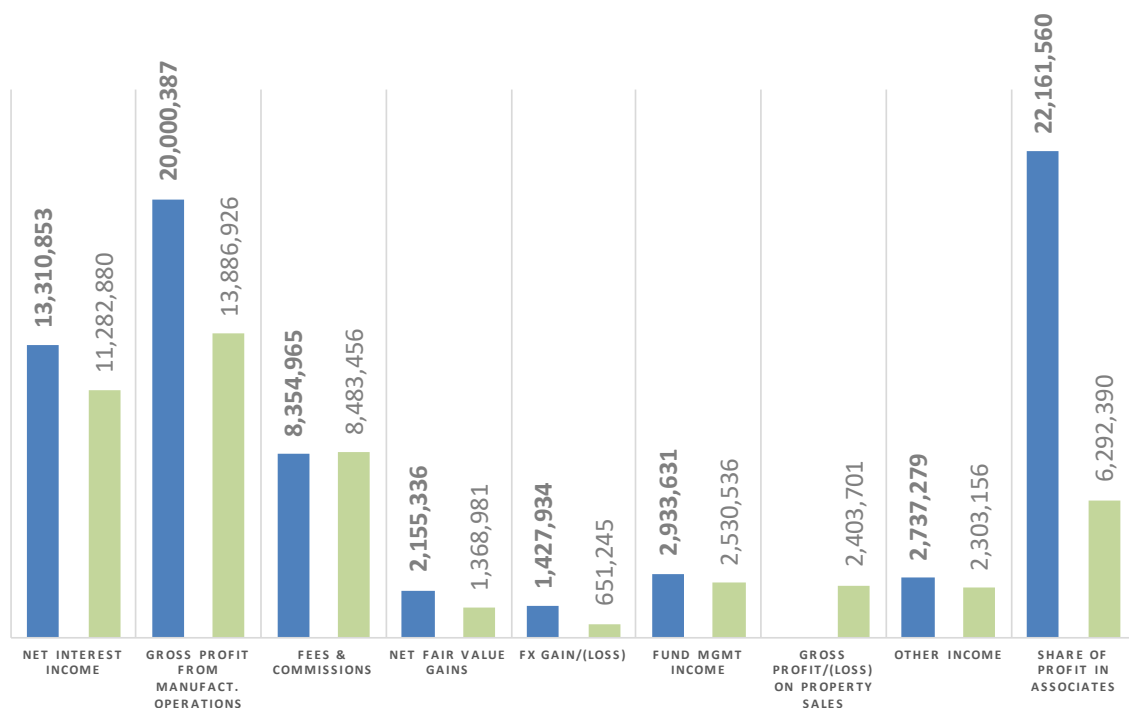
move.provenwealth.com

weareproven.com/move-with-us

PROVEN Group: Income and Growth Strategy Investment Holding Company Represented in Banking and Wealth | Real Estate | Portfolio Holdings

PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

PROVEN GROUP REVENUE BREAKDOWN FOR THE NINE MONTHS ENDED DEC 2023 VS. DEC 2022



Net Revenue

The primary revenue sources making up the performance for the period include:

- **Net interest income (NII)** totalled US\$13.3 million versus US\$11.3 million for the same period in the prior year, translating to growth of 17.97%. The uptrend in global interest rates in the first two quarters of the financial year, coupled with growth in the core credit portfolio have jointly contributed to widening spread income across the banking subsidiaries of the Group.
- **Fees & commissions** amounted to US\$8.35 million and is basically on par with the US\$8.48 million earned for the comparable period last year. Of note, is the growth in fees and commissions for the third quarter when compared to the same quarter last year. While this growth was modest at 5.16%, there are emerging signs of a turnaround in trading volumes and commission driven activity within the wealth segment, when compared to the first half of financial year.
- **Gross profit on manufacturing operations** increased by 44.02% to US\$20 million for the period ended December 31, 2023, compared to US\$13.89 million in the prior year period. This primarily represents a normalization of manufacturing margins which were squeezed in 2022 by the large increase in commodity prices combined with a price compact (between government and the private sector) to hold selling prices for an eight-month period.

PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

- **Fund management income** grew by 15.93% to US\$2.93 million, compared to the nine-month period ended December 31, 2022. This is a product of a recovery in asset prices coupled with an uptick in fund inflows year over year as our asset management platform grows.
- **Gross profit on property sales** amounted to a small loss of US\$88,281 which resulted from the carry-over of prior year development expenses that were recognized in the current period, after audit completion and offset by the units sold at The Lagoons residential development in Grand Cayman during the current period.
- **Share of results of associates** amounted to US\$22.16 million, reflecting an increase of over 3.5 times the US\$6.3 million earned in nine-month period ended December 31, 2022. This was primarily due to JMMB Group Limited's performance for the financial year to date, which included an extraordinary gain from their share of Sagicor Financials' results.
- **Other Income** increased by 18.85% to US\$2.73 million for the nine-month period ended December 2023, relative to the prior comparable period's result of US\$2.30 million and is mainly derived from rental income from the real estate holdings in the Properties division.

Operating Expenses

Total Operating Expenses for the year to date totalled US\$48.98 million, an 8.4% rise over the nine months ended December 2022. This increase was led by a 14.7% rise in staff costs, due to one-off restructuring costs in the second quarter of the year.

Net Profit

The Group produced consolidated net profit after tax (NPAT) results of US\$19.85 million. This translated to net profit attributable to owners of the company (NPAO) of US\$17.95 million for the period compared to a NPAO result of US\$3.28 million for nine months ended December 31, 2022. Earnings per Share amounted to US\$0.0224 per share for the nine-month period.

STATEMENT OF FINANCIAL POSITION

The Group's assets and liabilities remained stable over the period, with only slight changes at the margin. PROVEN Group's off-balance sheet assets expanded to US\$595 million, as of December 31, 2023.

SHAREHOLDERS' EQUITY

Total Equity attributable to shareholders of the company is US\$156.1 million as of December 31, 2023, up 18.6% from US\$131.63 million as of March 31, 2023. This was primarily due to an improvement in the investment revaluation reserve and increased profits.



AVISTA

Bloomfield



Welcome to a new vision of community-styled, mixed-used living options ideal for Work—Life—Leisure. This nine-acre upscale residential and commercial development is located in the cool hills of Mandeville on Greenvale Road, minutes from the Mandeville town centre. Designed for the young, mature or retiring family desiring safety, convenience and leisure; the savvy professional looking to make an investment; or that corporate entity with a need for exclusive space. These functionally integrated living spaces offer the perfect blend of residential, commercial and entertainment uses for an enviable lifestyle of convenience and purpose.



To view floorplans and for pricing visit or call us TODAY:
[provenpropertiesltd.com](https://www.provenpropertiesltd.com) (876) 633-6964

PROVEN
PROPERTIES

DIVIDEND DECLARATION

The Board of Directors has approved an interim dividend payment of US\$0.0015 per share to all ordinary shareholders on record as of February 23, 2024, and to be paid on March 12, 2024. This brings the total amount declared for the nine-month period ended December 31, 2023, to US\$0.0050 per share which represents an annualized tax-free dividend yield of 4.87% based on the average share price of US\$0.137.

The Board of Directors takes this opportunity to thank all our stakeholders for their support and trust. Our continued success is a result of the dedication of Management and Staff, and the patronage of our valued clients.

PROVEN GROUP LIMITED REPORTS

UNAUDITED FINANCIAL RESULTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Presented in United States dollars, except as otherwise stated)

	Unaudited Quarter ended December 31 2023	Unaudited Quarter ended December 31 2022	Unaudited Nine Months ended December 31 2023	Unaudited Nine Months ended December 31 2022	Audited Year ended March 31 2023
Net Interest Income					
Interest income	9,959,368	9,161,059	29,159,138	23,407,824	33,407,088
Interest expense	(5,812,703)	(4,411,903)	(15,848,285)	(12,124,945)	(16,037,348)
	<u>4,146,665</u>	<u>4,749,157</u>	<u>13,310,853</u>	<u>11,282,880</u>	<u>17,369,739</u>
Gross profit on manufacturing operations					
Gross revenue	18,665,795	19,552,447	57,108,651	55,969,574	74,802,021
Cost of sales	(11,997,858)	(15,274,420)	(37,108,264)	(42,082,650)	(64,833,946)
	<u>6,667,937</u>	<u>4,278,027</u>	<u>20,000,387</u>	<u>13,886,924</u>	<u>9,968,075</u>
Gross profit on property sales					
Property sales	-	3,873,018	5,921,559	31,309,783	31,679,783
Property expenses	(71,786)	(3,969,260)	(6,009,840)	(28,906,083)	(29,654,824)
	<u>(71,786)</u>	<u>(96,243)</u>	<u>(88,281)</u>	<u>2,403,701</u>	<u>2,024,959</u>
Other Income					
Fees & commissions	2,661,783	2,531,145	8,354,965	8,483,456	11,820,739
Net fair value adjustments and realised gains	174,768	134,833	2,155,336	1,368,981	783,411
Foreign exchange translation gains/(losses)	390,012	289,278	1,427,934	651,245	363,919
Fund Management Income	973,894	880,484	2,933,631	2,530,536	3,523,773
Other Income	961,686	1,825,855	2,737,279	2,303,156	3,786,651
	<u>5,162,143</u>	<u>5,661,594</u>	<u>17,609,145</u>	<u>15,337,373</u>	<u>20,278,492</u>
Operating revenue, net	15,904,959	14,592,535	50,832,103	42,910,878	49,641,265
Operating Expenses					
Staff Cost	6,685,537	6,178,891	20,003,961	17,438,773	20,840,153
Depreciation and amortization of intangibles	1,675,824	2,106,219	4,851,199	4,921,366	6,768,004
Impairment(reversal)/loss on loans and other assets	-	-	-	-	(90,000)
Impairment(reversal)/loss on financial instruments	-	-	-	-	(61,000)
Impairment of associates and intangible assets	-	-	-	-	10,122,000
Other operating expenses	7,919,640	6,222,632	24,129,164	22,818,422	24,809,235
	<u>16,281,001</u>	<u>14,507,742</u>	<u>48,984,323</u>	<u>45,178,561</u>	<u>62,388,392</u>
Operating profit/(loss)	(376,042)	84,793	1,847,780	(2,267,683)	(12,747,127)
Preference dividend	(3,914,913)	(97,052)	(3,914,912)	276,584	0
Share of results of associates	19,435,869	1,536,559	22,161,560	6,292,390	8,481,151
	<u>15,520,957</u>	<u>1,439,507</u>	<u>18,246,647</u>	<u>6,568,975</u>	<u>8,481,150</u>
Profit/(loss) before income tax	15,144,915	1,524,300	20,094,428	4,301,291	(4,265,976)
Income tax charge	(123,759)	(119,987)	(240,687)	(1,298,176)	(1,094,627)
Profit/(loss) for the year	15,021,156	1,404,313	19,853,740	3,003,115	(5,360,604)
Less income attributable to non-controlling interest	(779,811)	166,804	(1,900,295)	277,246	496,970
Profit/(loss) attributable to owners of the company	14,241,345	1,571,117	17,953,445	3,280,362	(4,863,634)
EARNINGS PER STOCK UNIT - US cents	1.78	0.20	2.24	0.42	(0.62)
	<u>15,021,156</u>	<u>1,404,313</u>	<u>19,853,740</u>	<u>3,003,115</u>	<u>(5,360,604)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
Items that are or may be reclassified to profit or loss:					
Unrealised (Losses)/Gains on investments securities	11,497,028	5,399,455	10,978,568	(12,545,237)	(6,425,776)
Foreign exchange translation reserve	(1,466,529)	(573,899)	(1,532,067)	(2,674,057)	(1,169,987)
Total Comprehensive income/(loss)	25,051,655	6,229,868	29,300,241	(12,216,178)	(12,956,367)



MOVE WITH US, GROW WITH US

International Financial Planning (IFP) is now **PROVEN Wealth**

The PROVEN Wealth brand has a 20-year legacy of managing billions of dollars of assets on behalf of institutional and individual clients. Invest to suit your lifestyle and goals to retire comfortably, save for education and optimally manage your wealth and investment portfolio.

Learn how you can make a PROVEN difference for your future.

660 West Bay Road, P.O. Box 10225, Grand Cayman, KY1-1002
Phone: +1 345 769 5352 - move.provenwealth.com

PROVEN
WEALTH

PROVEN Group: Income and Growth Strategy Investment Holding Company Represented in Banking and Wealth | Real Estate | Portfolio Holdings

PROVEN GROUP LIMITED REPORTS

UNAUDITED FINANCIAL RESULTS

Consolidated Statement of Financial Position

(Presented in United States dollars, except as otherwise stated)

	Unaudited December 31 2023	Unaudited December 31 2022	Audited March 31 2023
ASSETS			
Cash and cash equivalents	135,055,614	171,821,286	144,798,148
Resale agreements	3,827,584	11,680,230	3,633,394
Owed by related parties	2,041,245	5,107,772	818,608
Investment securities	388,401,281	370,809,316	378,679,970
Loans receivable	220,229,854	245,762,985	243,337,677
Trade and other receivables	26,774,883	28,074,329	33,094,072
Inventories	8,255,526	7,183,673	10,124,265
Property development In progress	29,717,048	22,502,226	23,651,534
Income tax recoverable	232,715	395,689	698,168
Property, plant and equipment	33,023,746	30,602,010	30,834,771
Investment property	30,222,457	20,828,463	20,842,246
Intangible assets	38,250,527	43,615,750	39,459,749
Investment in associates	160,605,445	130,263,591	131,278,558
Deffered tax	1,511,622	1,644,889	1,814,989
Total Assets	1,078,149,548	1,090,292,209	1,063,066,147
LIABILITIES			
Repurchase agreements	85,655,919	104,559,898	78,332,533
Owed to related parties	1,539,545	-	-
Due to banks	629,787	10,252,550	3,686,561
Due to customers	541,375,794	588,400,142	568,684,592
Notes payable	232,784,197	198,898,269	228,351,959
Post-retirement medical benefits	904,307	912,214	904,307
Current income tax payable	1,272,919	1,021,785	1,028,007
Other liabilities	26,203,256	28,967,333	24,118,091
Defined benefit obligations	2,377,436	(710,081)	2,377,436
Deferred income	7,389,021	3,309,532	4,844,329
Lease liabilities	3,037,233	1,416,318	1,395,237
Preference shares	1,000	1,000	1,000
Total Liabilities	903,170,413	937,028,960	913,724,052
SHARE HOLDERS' EQUITY			
Share capital	125,960,669	125,960,669	125,960,669
Investment revaluation reserve	(17,419,932)	(34,515,961)	(28,398,500)
Foreign exchange translation	3,027,282	3,055,277	4,559,349
Retained earnings	44,553,854	45,570,544	29,512,879
Total Shareholders' Equity	156,121,873	140,070,529	131,634,397
Non-controlling Interest	18,857,262	13,192,720	17,707,698
Total Shareholders' Equity and Liabilities	1,078,149,548	1,090,292,209	1,063,066,147

Approved for Issue by the Board of Directors and signed on its behalf by:



Director



Director

PROVEN GROUP LIMITED REPORTS

UNAUDITED FINANCIAL RESULTS

Consolidated Statement of Cash Flows

(Presented in United States dollars, except as otherwise stated)

	Unaudited Nine Months ended December 31 2023	Unaudited Nine Months ended December 31 2022	Audited Year ended March 31 2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit attributable to owners of the company	17,953,445	3,280,362	(4,863,631)
Depreciation and Amortization	4,851,199	4,921,366	6,768,004
Income Tax Charge	240,687	1,298,176	1,094,626
Operating cashflow before movements in working capital	<u>23,045,332</u>	<u>9,499,904</u>	<u>2,998,999</u>
Changes in operating assets and liabilities			
Receivables	7,371,473	45,148,531	14,527,531
Inventory	1,868,739	789,544	(2,152,048)
Loans	23,107,823	(38,386,488)	(35,961,180)
Client Liabilities	(30,559,763)	(66,803,608)	(85,038,311)
Payables	37,784,824	44,387,147	42,832,674
Investments	1,257,258	(48,162,786)	(49,915,979)
Related parties	316,908	(5,494,104)	(1,204,940)
Net cash from/(used in) operating activities	<u>64,192,593</u>	<u>(59,021,859)</u>	<u>(113,913,254)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments in associates	(29,326,888)	10,248,579	7,656,369
Purchase of property ,plant and equipment	(5,137,919)	(1,284,564)	(2,404,881)
Purchase/Disposal of intangible asset	(693,032)	(124,974)	3,071,944
Purchase of Investment Properties	(9,380,212)	(1,938,005)	(1,870,102)
Net cash from/(used in) investing activities	<u>(44,538,050)</u>	<u>6,901,035</u>	<u>6,453,331</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Notes payable	(26,102,104)	(57,671,217)	(29,037,877)
Minority Interest	1,149,564	(11,231,553)	(11,448,277)
Dividend Paid	(2,912,470)	(835,394)	(2,440,124)
Issue of Ordinary Shares	-	10,206,850	10,206,850
Foreign Exchange Translation	(1,532,067)	(2,674,058)	(1,169,986)
Net cash used in financing activities	<u>(29,397,077)</u>	<u>(62,205,372)</u>	<u>(33,889,413)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,742,534)	(114,326,196)	(141,349,336)
Cash and cash equivalents at beginning of period	144,798,148	286,147,482	286,147,482
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>135,055,615</u>	<u>171,821,286</u>	<u>144,798,148</u>

PROVEN GROUP LIMITED REPORTS

UNAUDITED FINANCIAL RESULTS

Unaudited Consolidated Statement of Changes of Equity

For the Nine Months ended December 31, 2023 & December 31, 2022
(Presented in United States dollars, except as otherwise stated)

	<u>Share capital</u>	<u>Minority interest</u>	<u>Investment revaluation reserve</u>	<u>Foreign exchange translation</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at April 1, 2023	125,960,669	17,707,698	(28,398,500)	4,559,349	29,512,878	149,342,094
Total Comprehensive Income for the period		1,900,295	10,978,568	(1,532,067)	17,953,445	29,300,241
Dividends to equity holders		(750,731)			(2,912,470)	(3,663,201)
Balance at December 31, 2023	<u>125,960,669</u>	<u>18,857,262</u>	<u>(17,419,932)</u>	<u>3,027,282</u>	<u>44,553,854</u>	<u>174,979,136</u>
	<u>Share capital</u>	<u>Minority interest</u>	<u>Investment revaluation reserve</u>	<u>Foreign exchange translation</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at April 1, 2022	115,753,819	24,424,273	(21,970,724)	5,729,335	43,125,576	167,062,279
Total Comprehensive (Loss)/Income for the period	-	(277,246)	(12,545,237)	(2,674,058)	3,280,362	(12,216,179)
Issue of Shares	10,206,850	-				10,206,850
Disposal of NCI	-	(10,954,307)	-	-	-	(10,954,307)
Dividends to equity holders	-	-	-	-	(835,394)	(835,394)
Balance at December 31, 2022	<u>125,960,669</u>	<u>13,192,720</u>	<u>(34,515,961)</u>	<u>3,055,277</u>	<u>45,570,544</u>	<u>153,263,249</u>

PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

NOTES TO FINANCIAL STATEMENTS: FOR THE NINE-MONTHS ENDED DECEMBER 31, 2023

1. IDENTIFICATION

Proven Group Limited (the “Company”) is incorporated in Saint Lucia under the International Business Companies Act. The Company is domiciled in Saint Lucia, with registered office at 20 Micoud Street, Castries, Saint Lucia.

The primary activities of the Company are the holding of tradable securities for investment purposes and holding other investments.

SUBSIDIARIES	Country of Incorporation	NATURE OF BUSINESS	Percentage ownership	
			2023	2022
PROVEN Wealth Limited	Jamaica	Securities Dealer and Investment Management Company	100	100
PROVEN Properties Limited	Jamaica	Management Services	100	100
PROVEN Properties Limited	Saint Lucia	Real Estate Investment	100	100
Asset Management Company Limited	Jamaica	Hire Purchase Financing	100	100
International Financial Planning Jamaica Limited	Jamaica	Funds Management	100	100
Proven Bank St. Lucia Limited (formerly BOSLIL Bank Limited)	Saint Lucia	Banking	100	100
Proven Wealth (Cayman) Limited (formerly International Financial Planning (Cayman) Limited)	Cayman Islands	Fund Management	100	100
PROVEN Holdings Limited	Jamaica	Investment Holding Company	100	100
Roberts Manufacturing Company Limited	Barbados	Manufacturing	50.5	50.5
Heritage Education Fund International Inc.	Canada	Funds Management	100	100
Proven Bank (Cayman) Limited (formerly Fidelity Bank (Cayman) Limited)	Cayman	Retail Banking Services	100	100
ASSOCIATE COMPANIES				
JMMB Group Limited	Jamaica	Investment Advisory, Banking,	20	20
Access Financial Services Limited	Jamaica	Retail Lending	24.72	24.72

PROVEN GROUP LIMITED REPORTS

UNAUDITED FINANCIAL RESULTS

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Interim Financial Reporting

The condensed consolidated interim financial statements for the nine months ended December 31, 2023, have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

SIGNIFICANT ACCOUNTING POLICIES

3. BASIS OF CONSOLIDATION:

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiaries (note 1), subject to the eliminations described at note 3(b).

3(a). Subsidiaries:

Subsidiaries are all entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3(b). Transactions eliminated on consolidation:

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

4. Classification of financial assets:

Fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are carried at fair value through other comprehensive income. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect, on an investment-by-investment basis, to present subsequent changes in the investment's fair value in OCI.

Investments at fair value through profit or loss:

The Group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments 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. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and change therein are recognised in profit or loss.

PROVEN GROUP LIMITED REPORTS

UNAUDITED FINANCIAL RESULTS

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term. Loans and receivables are measured at amortized cost using the effective interest method, except when the Group chooses to designate the loans and receivables at fair value through profit or loss.

5. Resale agreements

The company purchases government and corporate securities and agrees to resell them at a specified date at a specified price. On making payment the company takes delivery of the securities from the vendor although title is not transferred unless the company does not resell the securities on the specified date or other conditions are not honoured. Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfil its contractual obligations.

6. Interest income:

Interest income is recognised in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to its carrying amount. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently. Interest income includes coupons earned on fixed income investments, accretion of discount on treasury bills and other discounted instruments, and amortisation of premium on instruments bought at a premium.

7. Interest expense:

Interest expense is recognised in profit or loss on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount. The effective interest rate is established on initial recognition of the financial liability and is not revised subsequently. Interest expense includes coupons paid on fixed rate liabilities and accretion of discount or amortization of premium on instruments issued at other than par.

8. Share capital:

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

- i. equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;
- ii. liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividend thereon are recognised as interest in profit or loss.

PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as a financial liability. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

9. Earnings per Stock Unit

PROVEN Group Limited's Earning per Stock Unit "EPS" is computed by dividing the profit attributable to stockholders of the parent of US\$17,953,455 by the weighted average number of ordinary stock units in issue during the reporting period numbering 801,732,000 shares.

PROVEN GROUP

We would like to take this opportunity to thank all of our stakeholders for your support and trust.

Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.



Director



Director

