

The logo for iFAST, featuring the word "iFAST" in a bold, white, sans-serif font centered within a dark teal square background.

iFAST

**iFAST Corporation Ltd.
and its Subsidiaries**
Company Registration No: 200007899C
(Incorporated in the Republic of Singapore)

**Unaudited Third Quarter and Nine Months ended
30 September 2018
Financial Statements Announcement**

Third Quarter 2018 Financial Statements and Dividend Announcement

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

Consolidated income statement for the third quarter and nine months ended 30 September 2018

	Group			Group		
	3Q18 \$'000	3Q17 \$'000	Change %	9M18 \$'000	9M17 \$'000	Change %
	Restated			Restated		
Revenue	31,376	26,234	19.6	93,256	72,989	27.8
Commission and fee paid or payable to third party financial advisers	(15,911)	(13,214)	20.4	(48,457)	(36,848)	31.5
	15,465	13,020	18.8	44,799	36,141	24.0
Other income	340	340	-	899	889	1.1
Depreciation of plant and equipment	(430)	(372)	15.6	(1,228)	(996)	23.3
Amortisation of intangible assets	(951)	(758)	25.5	(2,785)	(1,975)	41.0
Staff costs	(6,868)	(5,444)	26.2	(19,350)	(15,059)	28.5
Other operating expenses	(4,615)	(4,484)	2.9	(13,394)	(12,301)	8.9
Results from operating activities	2,941	2,302	27.8	8,941	6,699	33.5
Finance income	254	181	40.3	729	541	34.8
Finance costs	(21)	(1)	2,000.0	(22)	(2)	1,000.0
Net finance income	233	180	29.4	707	539	31.2
Share of results of associates, net of tax	(19)	(63)	(69.8)	(109)	(307)	(64.5)
Profit before tax	3,155	2,419	30.4	9,539	6,931	37.6
Tax expense	(615)	(460)	33.7	(1,421)	(1,180)	20.4
Profit for the period	2,540	1,959	29.7	8,118	5,751	41.2
Profit attributable to:						
Owners of the Company	2,602	2,009	29.5	8,290	5,903	40.4
Non-controlling interests	(62)	(50)	24.0	(172)	(152)	13.2
Profit for the period	2,540	1,959	29.7	8,118	5,751	41.2

NM denotes not meaningful.

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

Consolidated statement of comprehensive income for the third quarter and nine months ended 30 September 2018

	3Q18	Group	Change	9M18	Group	Change
	\$'000	3Q17		\$'000	9M17	
	Restated			Restated		
Profit for the period	2,540	1,959	29.7	8,118	5,751	41.2
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets at FVOCI	12	56	(78.6)	(28)	(29)	(3.4)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	(19)	-	NM	(17)	9	NM
Foreign currency translation differences for foreign operations	(101)	(150)	(32.7)	312	(839)	NM
Share of other comprehensive income of associates	(6)	(2)	200.0	(21)	1	NM
	<u>(114)</u>	<u>(96)</u>	<u>18.8</u>	<u>246</u>	<u>(858)</u>	<u>NM</u>
Items that will not be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets at FVOCI	(15)	192	NM	(788)	768	NM
	<u>(15)</u>	<u>192</u>	<u>NM</u>	<u>(788)</u>	<u>768</u>	<u>NM</u>
Other comprehensive income for the period, net of tax	<u>(129)</u>	<u>96</u>	<u>NM</u>	<u>(542)</u>	<u>(90)</u>	<u>502.2</u>
Total comprehensive income for the period	<u>2,411</u>	<u>2,055</u>	<u>17.3</u>	<u>7,576</u>	<u>5,661</u>	<u>33.8</u>
Attributable to:						
Owners of the Company	2,476	2,105	17.6	7,749	5,817	33.2
Non-controlling interests	(65)	(50)	30.0	(173)	(156)	10.9
Total comprehensive income for the period	<u>2,411</u>	<u>2,055</u>	<u>17.3</u>	<u>7,576</u>	<u>5,661</u>	<u>33.8</u>

NM denotes not meaningful.

1(a)(ii) Breakdown and explanatory notes to income statement.

	Group			Group		
	3Q18	3Q17	Change	9M18	9M17	Change
	\$'000	\$'000	%	\$'000	\$'000	%
	Restated			Restated		
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>						
Other income						
- Investment income	(328)	(324)	1.2	(743)	(711)	4.5
- Government grant	(2)	(2)	-	(122)	(116)	5.2
- Gain on derecognition of an associate	-	-	NM	-	(19)	(100.0)
- Miscellaneous income	(10)	(14)	(28.6)	(34)	(43)	(20.9)
	(340)	(340)	-	(899)	(889)	1.1
Interest income						
- from cash and cash equivalents	(236)	(128)	84.4	(629)	(315)	99.7
- from investment in financial assets	(17)	(52)	(67.3)	(96)	(225)	(57.3)
- from receivables	(1)	(1)	-	(4)	(1)	300.0
	(254)	(181)	40.3	(729)	(541)	34.8
Operating lease expense	1,661	1,658	0.2	4,914	4,701	4.5
Unrealised exchange (gain) / loss, net	(74)	126	NM	(51)	254	NM
Equity-settled share-based payment transactions, included in staff costs	613	436	40.6	1,747	1,163	50.2
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	-	83	(100.0)	166	249	(33.3)
(Gain) / Loss on redemption of investment in financial assets at FVOCI, included in investment income	(19)	-	NM	(17)	9	NM
Dividend income on investment in financial assets at FVOCI, included in investment income	(182)	(177)	2.8	(543)	(518)	4.8
Net gain on investment in held-for-trading financial assets, included in investment income	(118)	(138)	(14.5)	(156)	(175)	(10.9)
Interest expense on short-term loan	21	-	NM	21	-	NM

NM denotes not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30-Sep-18 \$'000	As at 31-Dec-17 \$'000	As at 30-Sep-18 \$'000	As at 31-Dec-17 \$'000
Assets				
Plant and equipment	3,384	2,308	106	66
Intangible assets and goodwill	15,064	13,622	12,036	10,720
Subsidiaries	-	-	50,290	50,090
Associates	2,322	1,616	2,854	2,017
Other investments	5,062	3,849	972	783
Deferred tax assets	849	542	-	-
Prepayments and others	239	346	11	11
Total non-current assets	26,920	22,283	66,269	63,687
Current tax receivable	-	34	-	-
Other investments	20,186	22,413	20,186	22,413
Uncompleted contracts - buyers	11,700	9,056	-	-
Trade and other receivables	30,409	28,135	25,860	7,773
Prepayments	1,327	1,315	56	26
Money market funds	1,595	2,619	-	-
Cash at bank and in hand	36,263	30,879	2,476	8,452
Total current assets	101,480	94,451	48,578	38,664
Held under trust				
Client bank accounts	360,156	275,461	-	-
Client ledger balances	(360,156)	(275,461)	-	-
	-	-	-	-
Total assets	128,400	116,734	114,847	102,351
Equity				
Share capital	65,842	65,545	65,842	65,545
Reserves	18,650	15,691	20,467	21,555
Equity attributable to owners of the Company	84,492	81,236	86,309	87,100
Non-controlling interests	(156)	17	-	-
Total equity	84,336	81,253	86,309	87,100
Liabilities				
Deferred tax liabilities	1,412	1,195	1,169	930
Finance lease liabilities	9	13	-	-
Total non-current liabilities	1,421	1,208	1,169	930
Uncompleted contracts - sellers	11,673	8,936	-	-
Trade and other payables	19,533	24,253	17,395	14,321
Short-term loan	9,974	-	9,974	-
Finance lease liabilities	5	5	-	-
Current tax payables	1,458	1,079	-	-
Total current liabilities	42,643	34,273	27,369	14,321
Total liabilities	44,064	35,481	28,538	15,251
Total equity and liabilities	128,400	116,734	114,847	102,351

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

Amount repayable in one year or less, or on demand

	Group			
	As at 30-Sep-18 \$'000		As at 31-Dec-17 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	5	-	5	-
Short-term loan	-	9,974	-	-
	<u>5</u>	<u>9,974</u>	<u>5</u>	<u>-</u>

Amount repayable after one year

	Group			
	As at 30-Sep-18 \$'000		As at 31-Dec-17 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	<u>9</u>	<u>-</u>	<u>13</u>	<u>-</u>

The finance lease liabilities as at 30 September 2018 are secured by the leased assets.

The unsecured short-term loan is a revolving bank loan that bears interest at rates ranging from 1.60% to 3.20% (31/12/2017: Nil) per annum in the period and is repayable within the next 12 months from the reporting date. This short-term loan taken up in the third quarter of 2018 is for the financing of the initial capital for the virtual banking business that the Group is pursuing in Hong Kong.

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

	Group		Group	
	3Q18 \$'000	3Q17 \$'000	9M18 \$'000	9M17 \$'000
	Restated		Restated	
Cash flows from operating activities				
Profit for the period	2,540	1,959	8,118	5,751
Adjustments for:				
Depreciation of plant and equipment	430	372	1,228	996
Amortisation of intangible assets	951	758	2,785	1,975
Equity-settled share-based payment transactions	613	519	1,913	1,412
Dividend income on investment in available-for-sale financial assets	(182)	(177)	(543)	(518)
(Gain) / Loss on redemption of investment in available-for-sale financial assets	(19)	-	(17)	9
Net gain on investment in held-for-trading financial assets	(118)	(138)	(156)	(175)
Share of results of associates, net of tax	19	63	109	307
Dividend income on investment in associates	(9)	(9)	(27)	(27)
Unrealised exchange (gain) / loss, net	(74)	126	(51)	254
Plant and equipment written off	-	-	20	19
Intangible asset written off	-	2	-	2
Gain on derecognition of an associate	-	-	-	(19)
Net finance income	(233)	(180)	(707)	(539)
Tax expense	615	460	1,421	1,180
	<u>4,533</u>	<u>3,755</u>	<u>14,093</u>	<u>10,627</u>
Change in uncompleted contracts and trade and other receivables	9,568	(1,400)	(4,278)	(10,008)
Change in uncompleted contracts and trade and other payables	(10,201)	917	4,573	7,429
Cash generated from operations	3,900	3,272	14,388	8,048
Tax paid	(553)	(252)	(1,086)	(464)
Interest received	253	160	713	510
Interest paid	(⁽¹⁾)	(1)	(1)	(2)
Net cash from operating activities	3,600	3,179	14,014	8,092
Cash flows from investing activities				
Purchase of plant and equipment	(562)	(143)	(2,287)	(1,222)
Purchase of intangible assets	(1,303)	(1,096)	(5,143)	(2,864)
Additional investment in associates	-	-	(836)	(160)
Dividend from associates	18	18	36	35
Purchase of investment in financial assets	(16,980)	(17,624)	(56,848)	(47,634)
Proceeds from redemption of investment in financial assets	16,862	17,449	51,599	53,471
Dividends received from investment in financial assets at FVOCI	2	17	7	30
Acquisition of subsidiary, net of cash acquired	-	-	-	(702)
Net cash (used in) / from investing activities	(1,963)	(1,379)	(13,472)	954
Cash flows from financing activities				
Proceeds from exercise of share options	194	359	297	1,052
Purchase of treasury shares	-	-	(150)	(548)
Proceeds from shares issued to non-controlling interests of subsidiary	-	-	-	78
Drawdown of bank short-term loan	9,890	-	9,890	-
Repayment of finance lease liabilities	(2)	(1)	(4)	(3)
Dividends paid to owners of the Company	(1,998)	(1,795)	(6,387)	(5,554)
Net cash from / (used in) financing activities	8,084	(1,437)	3,646	(4,975)
Net increase in cash and cash equivalents	9,721	363	4,188	4,071
Cash and cash equivalents at beginning of the period	28,246	25,720	33,498	22,464
Effect of exchange rate fluctuations on cash held	(109)	(188)	172	(640)
Cash and cash equivalents at end of the period	37,858	25,895	37,858	25,895

(1) Amount less than \$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total	Non-controlling interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2018, as previously stated	65,545	(278)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,361	81,236	17	
Effect of adoption of SFRS(I) 9	-	(217)	-	-	-	-	-	217	-	-	-
At 1 January 2018, as restated	65,545	(495)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,578	81,236	17	81,253
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	8,290	8,290	(172)	8,118
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(816)	-	-	-	-	-	-	(816)	-	(816)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(17)	-	-	-	-	-	-	(17)	-	(17)
Foreign currency translation differences for foreign operations	-	-	313	-	-	-	-	-	313	(1)	312
Share of other comprehensive income of associates	-	(2)	(19)	-	-	-	-	-	(21)	-	(21)
Total other comprehensive income	-	(835)	294	-	-	-	-	-	(541)	(1)	(542)
Total comprehensive income for the period	-	(835)	294	-	-	-	-	8,290	7,749	(173)	7,576
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	297	-	-	-	-	-	-	-	297	-	297
Purchase of treasury shares	-	-	-	-	-	-	(150)	-	(150)	-	(150)
Treasury shares re-issued	-	-	-	-	(1,945)	-	1,286	659	-	-	-
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,394)	(2,394)	-	(2,394)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,995)	(1,995)	-	(1,995)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,998)	(1,998)	-	(1,998)
Equity-settled share-based payment transactions	-	-	-	221	1,526	-	-	-	1,747	-	1,747
Total contributions by and distribution to owners	297	-	-	221	(419)	-	1,136	(5,728)	(4,493)	-	(4,493)
Total transactions with owners	297	-	-	221	(419)	-	1,136	(5,728)	(4,493)	-	(4,493)
At 30 September 2018	65,842	(1,330)	(1,184)	2,011	2,426	(2,010)	(1,403)	20,140	84,492	(156)	84,336

FVOCI denotes fair value through other comprehensive income.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Group										
	Attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2017, as previously stated	64,147	12	(535)	1,496	2,250	(2,010)	(2,531)	15,617	78,446	150	78,596
Effect of adoption of SFRS(I) 9	-	(391)	-	-	-	-	-	391	-	-	-
As 1 January 2017, as restated	64,147	(379)	(535)	1,496	2,250	(2,010)	(2,531)	16,008	78,446	150	78,596
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	5,903	5,903	(152)	5,751
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	739	-	-	-	-	-	-	739	-	739
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	-	-	9	-	9
Net change in fair value of financial assets at FVOCI transferred between reserves	-	(614)	-	-	-	-	-	614	-	-	-
Foreign currency translation differences for foreign operations	-	-	(835)	-	-	-	-	-	(835)	(4)	(839)
Share of other comprehensive income of associates	-	1	(1)	-	-	-	-	-	1	-	1
Total other comprehensive income	-	135	(835)	-	-	-	-	614	(86)	(4)	(90)
Total comprehensive income for the period	-	135	(835)	-	-	-	-	6,517	5,817	(156)	5,661
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	1,052	-	-	-	-	-	-	-	1,052	-	1,052
Purchase of treasury shares	-	-	-	-	-	-	(548)	-	(548)	-	(548)
Treasury shares re-issued	-	-	-	-	(785)	-	540	245	-	-	-
One-tier tax-exempt 2016 final dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,970)	(1,970)	-	(1,970)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	-	(1,789)	(1,789)	-	(1,789)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	-	(1,795)	(1,795)	-	(1,795)
Equity-settled share-based payment transactions	-	-	-	220	943	-	-	-	1,163	-	1,163
Total contributions by and distribution to owners	1,052	-	-	220	158	-	(8)	(5,309)	(3,887)	-	(3,887)
Changes in ownership interests in subsidiaries											
Issue of shares to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	78	78
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	78	78
Total transactions with owners	1,052	-	-	220	158	-	(8)	(5,309)	(3,887)	78	(3,809)
At 30 September 2017	65,199	(244)	(1,370)	1,716	2,408	(2,010)	(2,539)	17,216	80,376	72	80,448

FVOCI denotes fair value through other comprehensive income.

⁽¹⁾Amount less than \$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Company						
	Attributable to owners of the Company						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2018, as previously stated	65,545	(279)	1,564	2,845	(2,539)	19,964	87,100
Effect of adoption of SFRS(l) 9	-	(217)	-	-	-	217	-
At 1 January 2018, as restated	65,545	(496)	1,564	2,845	(2,539)	20,181	87,100
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4,756	4,756
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(816)	-	-	-	-	(816)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(17)	-	-	-	-	(17)
Total other comprehensive income	-	(833)	-	-	-	-	(833)
Total comprehensive income for the period	-	(833)	-	-	-	4,756	3,923
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	297	-	-	-	-	-	297
Purchase of treasury shares	-	-	-	-	(150)	-	(150)
Treasury shares re-issued	-	-	-	(1,945)	1,286	659	-
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,394)	(2,394)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(1,995)	(1,995)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(1,998)	(1,998)
Equity-settled share-based payment transactions	-	-	-	1,526	-	-	1,526
Total contributions by and distribution to owners	297	-	-	(419)	1,136	(5,728)	(4,714)
Total transactions with owners	297	-	-	(419)	1,136	(5,728)	(4,714)
At 30 September 2018	65,842	(1,329)	1,564	2,426	(1,403)	19,209	86,309

FVOCI denotes fair value through other comprehensive income.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Company						
	Attributable to owners of the Company						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2017, as previously stated	64,147	12	1,496	2,250	(2,531)	14,814	80,188
Effect of adoption of SFRS(I) 9		(391)				391	-
At 1 January 2017, as restated	64,147	(379)	1,496	2,250	(2,531)	15,205	80,188
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	12,090	12,090
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	692	-	-	-	-	692
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	9
Net change in fair value of financial assets at FVOCI transferred between reserves	-	(588)	-	-	-	588	-
Total other comprehensive income	-	113	-	-	-	588	701
Total comprehensive income for the period	-	113	-	-	-	12,678	12,791
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	1,052	-	-	-	-	-	1,052
Purchase of treasury shares	-	-	-	-	(548)	-	(548)
Treasury shares re-issued	-	-	-	(785)	540	245	-
One-tier tax-exempt 2016 final dividend paid of 0.75 cents per share	-	-	-	-	-	(1,970)	(1,970)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,789)	(1,789)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,795)	(1,795)
Equity-settled share-based payment transactions	-	-	69	943	-	-	1,012
Total contributions by and distribution to owners	1,052	-	69	158	(8)	(5,309)	(4,038)
Total transactions with owners	1,052	-	69	158	(8)	(5,309)	(4,038)
At 30 September 2017	65,199	(266)	1,565	2,408	(2,539)	22,574	88,941

FVOCI denotes fair value through other comprehensive income.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The number of shares in issue in the Company as at 30 September 2018 excluding treasury shares and subsidiary holdings was 266,512,579 ordinary shares (30 June 2018: 266,169,968 ordinary shares). The movements in the Company's share capital during the third quarter ended 30 September 2018 were as follows:

	Number of ordinary shares
As at 30 June 2018	266,169,968
Exercise of share options	342,611
Vesting of performance shares	-
Purchase of treasury shares	-
As at 30 September 2018	<u>266,512,579</u>

Share Option Schemes 2003 and 2013 ("iFAST SOS")

The number of outstanding share options under the iFAST SOS was as follows:

	Number of share options
As at 30 June 2018	4,459,651
Share options granted	-
Exercised	(342,611)
Forfeited	-
As at 30 September 2018	<u>4,117,040</u>

As at 30 September 2018, the number of outstanding share options under the iFAST SOS was 4,117,040 (30 September 2017: 5,308,901).

iFAST Corporation Performance Share Plan ("iFAST PSP")

The number of outstanding performance shares granted but not vested under iFAST PSP was as follows:

	Number of performance shares
As at 30 June 2018	6,519,500
Performance shares granted but not vested	-
Vested	-
Forfeited	(74,300)
As at 30 September 2018	<u>6,445,200</u>

As at 30 September 2018, the number of outstanding performance shares granted but not vested under the iFAST PSP was 6,445,200 (30 September 2017: 4,218,500).

Treasury shares and subsidiary holdings

The number of shares held as treasury shares was as follows:

	Number of treasury shares
As at 30 June 2018	1,580,800
Purchased by way of on-market acquisition	-
Purchased by way of off-market acquisition	-
Re-issued	-
As at 30 September 2018	<u>1,580,800</u>

As at 30 September 2018, 1,580,800 (30 September 2017: 2,869,200) treasury shares were held by the Company that may be re-issued upon the exercise of share options under the iFAST SOS and upon the vesting of performance shares under the iFAST PSP.

As at 30 September 2018, the treasury shares held represented 0.6% (30 September 2017: 1.1%) of the total number of issued shares excluding treasury shares.

The Company has no subsidiary holdings as at 30 September 2018 and 30 September 2017.

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

	As at 30-Sep-18	As at 31-Dec-17
Total number of issued shares excluding treasury shares	<u>266,512,579</u>	<u>264,672,618</u>

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

There were no sales, transfer, cancellation and/or use of treasury shares during the third quarter ended 30 September 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 September 2018.

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

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

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

Not applicable.

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

The financial information have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year, except for those disclosed under paragraph 5 below.

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

The Group and the Company have adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 January 2018 and have prepared the set of financial information under SFRS(I)s for the third quarter and nine months ended 30 September 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group's opening statement of financial position under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

Except for SFRS(I) 9 Financial Instruments, the adoption of the SFRS(I)s, amendments and interpretations of SFRS(I)s is assessed to have no material impact to the results and financial position of the Group and of the Company for the year ending 31 December 2018.

Besides the statements of changes in equity for the Group and for the Company from page 8 to page 11 showing details on the quantum of the adjustments made in relation to SFRS(I) 9, the following comparative figures that have been restated with significant impact arising from the adoption of SFRS(I) 9 are summarised below:

	3Q17		9M17	
	Reported previously \$'000	Restated \$'000	Reported previously \$'000	Restated \$'000
Consolidated income statement and consolidated statement of comprehensive income				
Other income	647	340	1,518	889
Profit for the period	2,266	1,959	6,380	5,751
Profit attributable to:				
Owners of the Company	2,316	2,009	6,532	5,903
Non-controlling interests	(50)	(50)	(152)	(152)
	2,266	1,959	6,380	5,751
Other comprehensive income for the period, net of tax	(211)	96	(719)	(90)
Total comprehensive income for the period	2,055	2,055	5,661	5,661
	3Q17		9M17	
	Reported previously	Restated	Reported previously	Restated
Earning per share				
- basic (cents)	0.88	0.76	2.48	2.24
- diluted (cents)	0.86	0.75	2.44	2.20

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

	3Q18	3Q17	9M18	9M17
		(Restated)		(Restated)
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	266,367,421	263,920,168	265,835,991	263,113,128
Basic earnings per share (cents)	0.98	0.76	3.12	2.24
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	272,067,687	268,998,725	271,461,535	267,996,735
Diluted earnings per share (cents)	0.96	0.75	3.05	2.20

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuers at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17
Net asset value per ordinary share (cents)	31.70	30.69	32.38	32.91

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

Consolidated Income Statement

Revenue

Global markets continued to be turbulent in the third quarter ended 30 September 2018 ("3Q18"), given escalating tensions over trade wars between the US and China. Despite the volatile global market conditions in 3Q18, the Group achieved revenue of \$31.38 million in 3Q18, which was 19.6% higher than the third quarter last year ("3Q17"). Revenue of \$93.26 million for the financial period ended 30 September 2018 ("9M18") was 27.8% higher than the same period last year ("9M17").

The year-on-year ("YoY") increases in 3Q18 and 9M18 were bolstered by the growth in the Group's business and Asset Under Administration ("AUA") for both Business-to-Customer ("B2C") and Business-to-Business ("B2B") business divisions in the period. The Group's AUA grew 18.7% YoY to reach a new record of \$8.50 billion as at 30 September 2018, benefiting from the Group's continuing efforts in widening the range of investment products and services and strengthening the financial technology ("Fintech") capabilities of its platforms in the various markets in recent years.

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's revenue. The revenue in Singapore operation grew 11.9% YoY in 3Q18 and 19.6% YoY in 9M18, which was mainly contributed by increases in investment trading volumes in exchange-traded funds ("ETFs") and stocks and subscription of investment in unit trusts ("UTs") from clients during the period. Following the improvements and progress made in beefing up its overall capabilities as a Wealth Management Fintech Platform with introducing more competitive pricing, the platform has been raising more awareness among investors in the market in recent quarters. The investment trading volume in ETFs increased 82.3% quarter-on-quarter ("QoQ") in 3Q18. The AUA of Singapore operation grew 14.2% YoY as at 30 September 2018.

In Hong Kong, following the launch of multi-products FSMOne.com platform in late 2017, we have launched the US stock trading capabilities on both the FSMOne.com and B2B platforms in 3Q18. There has been an increase in stock/ETF transactions in recent quarters and the investment trading volume in ETFs increased 110.9% QoQ in 3Q18. In addition, the rise in yields in the market in recent quarters led to an increase in clients' investment subscription in bonds of 53.3% YoY in 9M18. The revenue in Hong Kong operation grew 41.4% YoY in 3Q18 and 50.7% YoY in 9M18. The AUA of Hong Kong operation grew 27.5% YoY as at 30 September 2018.

In Malaysia, although the unit trust business slowed down its growth slightly due to volatile market conditions and poor investors' sentiment in recent quarters, the business in bonds and discretionary portfolio management service, which launched in early 2017, grew significantly in 9M18. Besides, the new iFAST Fintech solutions division launched in 1Q18 has been actively working with some business partners and institutional clients on a few projects. The revenue in Malaysia operation grew 38.1% YoY in 3Q18 and 44.1% YoY in 9M18. The AUA of Malaysia operation grew 26.1% YoY as at 30 September 2018.

In China, the combined effects of weak performance in the China equity market due to escalating tensions over trade wars between the US and China and some failures in peer-to-peer lending platforms in China market resulted in poor market sentiment in recent quarters. The revenue in China operation grew slightly 6.4% YoY in 3Q18 and 56.3% YoY in 9M18. The AUA of China operation grew 123.9% YoY as at 30 September 2018.

	Group			Group		
	3Q18 \$'000	3Q17 \$'000	Change %	9M18 \$'000	9M17 \$'000	Change %
Singapore	21,230	18,979	11.9	63,215	52,839	19.6
Hong Kong	7,367	5,211	41.4	21,907	14,538	50.7
Malaysia	2,630	1,904	38.1	7,543	5,234	44.1
	31,227	26,094	19.7	92,665	72,611	27.6
China	149	140	6.4	591	378	56.3
Total revenue	31,376	26,234	19.6	93,256	72,989	27.8

Commission and fee paid or payable to third party financial advisers

Commission and fee paid or payable to third party financial advisers increased by 20.4% from \$13.21 million in 3Q17 to \$15.91 million in 3Q18 and 31.5% from \$36.85 million in 9M17 to \$48.46 million in 9M18. The increase was due mainly to the increase in revenue from Business-to-Business ("B2B") business in the period.

Net revenue

Net revenue represents revenue earned by the Group after commission and fee paid or payable to third party financial advisers. The net revenue of \$15.47 million for 3Q18 was 18.8% higher than 3Q17, and the net revenue of \$44.80 million for 9M18 was 24.0% higher than 9M17.

The following table shows the breakdown of the Group's net revenue, by recurring and non-recurring basis. The Group's business model gives a stream of reliable recurring revenue which is based on AUA. For 3Q18, 81.9% of net revenue is derived from recurring net revenue and 18.1% is from non-recurring net revenue. For 9M18, 81.2% of net revenue is derived from recurring net revenue and 18.8% is from non-recurring net revenue.

	Group			Group		
	3Q18 \$'000	3Q17 \$'000	Change %	9M18 \$'000	9M17 \$'000	Change %
Recurring net revenue	12,669	10,625	19.2	36,377	29,970	21.4
Non-recurring net revenue	2,796	2,395	16.7	8,422	6,171	36.5
Total net revenue	15,465	13,020	18.8	44,799	36,141	24.0

Recurring net revenue is usually calculated based on a percentage of average AUA of Investment Products distributed on the Group's platforms, which mainly comprises trailer fees, platform fees and wrap fees. The YoY increases in recurring net revenue in 3Q18 and 9M18 were mainly due to an increase in average AUA for both B2B business and B2C business in the period, which benefited from new inflows of investments from customers in the period. The average AUA of the Group grew 20.5% YoY to \$8.33 billion in 3Q18 and 23.4% YoY to \$8.14 billion in 9M18.

Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commissions or processing fees; service fees arising from the provision of currency conversion administration services to customers and the provision of administration services to FA firms; advertising fees earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution fees for provision of IT solutions to business partners. The increases in non-recurring net revenue in the period were due

mainly to increases in commission income as a result of increased customers' trading volumes in bonds, ETFs and stocks and IT service fees earned from provision of IT solutions to some FA firms and institutional clients in the period.

The following table shows the breakdown of the Group's net revenue by geographical segments.

	3Q18	Group	Change	9M18	Group	Change
	\$'000	3Q17		%	\$'000	
Singapore	10,309	9,092	13.4	29,932	25,478	17.5
Hong Kong	3,610	2,873	25.7	10,657	7,897	34.9
Malaysia	1,397	915	52.7	3,619	2,473	46.3
	15,316	12,880	18.9	44,208	35,848	23.3
China	149	140	6.4	591	293	101.7
Total net revenue	15,465	13,020	18.8	44,799	36,141	24.0

Other income

Other income remained flat in the period compared to the same period last year.

Operating expenses

Excluding China operation, the Group's operating expenses increased by \$1.52 million or 15.5% from \$9.83 million in 3Q17 to \$11.35 million in 3Q18 and \$5.64 million or 21.0% from \$26.80 million in 9M17 to \$32.44 million in 9M18. The increase was mainly due to the Group's increased efforts in enhancing its platform capabilities including improving the range of investment products and services being provided to customers in the existing markets in the period. Singapore operation has leased additional office space from July 2017 to support its business expansion.

For our China operation, the operating expenses increased by \$0.28 million or 22.8% from \$1.23 million in 3Q17 to \$1.51 million in 3Q18 and \$0.79 million or 22.3% from \$3.53 million in 9M17 to \$4.32 million in 9M18. The increase was due mainly to our increasing efforts in building our brand and business in the China market over the period.

Overall, the Group's total operating expenses increased by \$1.80 million or 16.3% from \$11.06 million in 3Q17 to \$12.86 million in 3Q18 and \$6.43 million or 21.2% from \$30.33 million in 9M17 to \$36.76 million in 9M18. The following table shows the breakdown of the Group's operating expenses by its existing markets and China market.

	3Q18	Group	Change	9M18	Group	Change
	\$'000	3Q17		%	\$'000	
Operating expenses (excluding China operation)	11,353	9,828	15.5	32,442	26,804	21.0
Operating expenses in China operation	1,511	1,230	22.8	4,315	3,527	22.3
Total operating expenses	12,864	11,058	16.3	36,757	30,331	21.2

Depreciation of plant and equipment increased by \$0.06 million or 15.6% from \$0.37 million in 3Q17 to \$0.43 million in 3Q18 and \$0.23 million or 23.3% from \$1.00 million in 9M17 to \$1.23 million in 9M18. Amortisation of intangible assets increased by \$0.19 million or 25.5% from \$0.76 million in 3Q17 to \$0.95 million in 3Q18 and \$0.81 million or 41.0% from \$1.98 million in 9M17 to \$2.79 million in 9M18. These were due mainly to additions of plant and equipment and intangible assets (including internally-developed IT software assets) over the period, to support business

expansion in the markets that the Group operates in and to continuously strengthen the Fintech capabilities of our investment platforms.

Staff costs increased by \$1.43 million or 26.2% from \$5.44 million in 3Q17 to \$6.87 million in 3Q18 and \$4.29 million or 28.5% from \$15.06 million in 9M17 to \$19.35 million in 9M18, due mainly to the annual and semi-annual salary increment adjustments in the period, the increased number of staff over the period, the increased equity-settled share-based payment transactions resulting from another batches of performance shares granted in March 2018 and May 2018, and higher staff bonus in line with improved business performance accrued in 9M18.

Other operating expenses increased by \$0.14 million or 2.9% from \$4.48 million in 3Q17 to \$4.62 million in 3Q18 and \$1.09 million or 8.9% from \$12.30 million in 9M17 to \$13.39 million in 9M18, due mainly to an increase in rental of Singapore operation arising from lease of additional office space in Singapore from July 2017 and increases in advertising, IT service and maintenance, bank charges and brokerage costs to support the growth of the Group's business in the period and partially offset by unrealised exchange gains arising from cash and cash equivalents and investments in financial assets reported in the period.

Net finance income

Net finance income increased by \$0.05 million or 29.4% from \$0.18 million in 3Q17 to \$0.23 million in 3Q18 and \$0.17 million or 31.2% from \$0.54 million in 9M17 to \$0.71 million in 9M18. These were due mainly to higher interest income from bank deposits in the period, partially offset by lower interest income from investment in financial assets arising from redemptions of some bond investments at FVOCI over the period and interest cost of \$0.02 million on bank short-term loan in 3Q18.

Share of results of associates, net of tax

The Group's share of loss after tax of associates in 9M18 comprised share of results of associates, namely Providend Holding Pte Ltd ("Providend") and iFAST India Holdings Pte Ltd in the period. iFAST India Holdings Pte Ltd is an ultimate holding company of iFAST Financial India Pvt Ltd ("iFAST India"), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. iFAST India had a AUA of Indian Rupee 25.98 billion (equivalent to \$490 million) as at 30 September 2018, growing at a 5-year compound annual growth rate ("CAGR") of approximately 48.3%.

The share of loss after tax of associates decreased from \$0.06 million in 3Q17 to \$0.02 million in 3Q18 and from \$0.31 million in 9M17 to \$0.11 million in 9M18. These were due mainly to derecognition of a loss-making associate in June 2017 and some improvement in results of Providend in the period.

Profit for the period, after non-controlling interests

The following table shows the breakdown of the Group's profit before tax by geographical segments and the breakdown of the Group's net profit after tax by its existing markets.

	3Q18 \$'000	Group 3Q17 \$'000	Change %	9M18 \$'000	Group 9M17 \$'000	Change %
		Restated			Restated	
Singapore	3,457	2,787 ⁽³⁾	24.0	9,668	8,432 ⁽³⁾	14.7
Hong Kong	834	577 ⁽⁴⁾	44.5	2,647	1,234 ⁽⁴⁾	114.5
Malaysia	221	193	14.5	984	761	29.3
Other ⁽¹⁾	(20)	(63)	(68.3)	(110)	(307)	(64.2)
Profit before tax (excluding China operation)	4,492	3,494	28.6	13,189	10,120	30.3
Tax expense	(615)	(460)	33.7	(1,421)	(1,180)	20.4
Net profit after tax (excluding China operation)	3,877	3,034	27.8	11,768	8,940	31.6
China operation ⁽²⁾	(1,275)	(1,025)	24.4	(3,478)	(3,037)	14.5
Net profit after tax (including China operation)	2,602	2,009	29.5	8,290	5,903	40.4

Notes:

(1) Referring to share of results of associates.

(2) No income tax expense recognised in China operation as at the reporting date yet.

(3) The profit before tax of Singapore operation for 3Q17 has been reduced by approximately \$282,000 to \$2,787,000 and the profit before tax of Singapore operation for 9M17 has been reduced by approximately \$604,000 to \$8,432,000, as a result of adoption of SFRS(I) 9.

(4) The profit before tax of Hong Kong operation for 3Q17 has been reduced by approximately \$25,000 to \$577,000 and the profit before tax of Hong Kong operation for 9M17 has been reduced by approximately \$25,000 to \$1,234,000 as a result of adoption of SFRS(I) 9.

Overall, excluding China operation, the Group's profit before tax increased by \$1.00 million or 28.6% from \$3.49 million in 3Q17 to \$4.49 million in 3Q18 and \$3.07 million or 30.3% from \$10.12 million in 9M17 to \$13.19 million in 9M18, due mainly to contributions of higher profitability from Singapore, Hong Kong and Malaysia operations in the quarter.

Tax expense increased by \$0.16 million from \$0.46 million in 3Q17 to \$0.62 million in 3Q18 and \$0.24 million from \$1.18 million in 9M17 to \$1.42 million in 9M18, due mainly to an increase in taxable income from Singapore operation in the period, partially offset by some deferred tax asset recognised by Hong Kong operation for some unused tax losses at 30 September 2018.

China operation is continuing to build iFAST brand and business in this new market. Resulting from negative market sentiment in the China market in recent quarters, the loss from China operation increased by 24.4% YoY to \$1.28 million in 3Q18, and 14.5% YoY to \$3.48 million in 9M18.

Including China operation and tax expense, the Group's net profit after tax increased by \$0.59 million or 29.5% from \$2.01 million in 3Q17 to \$2.60 million in 3Q18 and \$2.39 million or 40.4% from \$5.90 million in 9M17 to \$8.29 million in 9M18.

Statement of Financial Position

The shareholders' equity of the Group increased to \$84.49 million as at 30 September 2018 from \$81.24 million as at 31 December 2017. This was due mainly to contribution of net profit generated in 9M18, and partially offset by payments of dividends in the quarter and a decrease in fair value of some financial assets at FVOCI in the period.

The Group's cash position (including cash at bank and in hand, money market fund and investments in financial assets categorised as other investments under current assets and excluding loan borrowing) decreased to \$48.07 million as at 30 September 2018 from \$55.91 million as at 31 December 2017. This was due mainly to settlement of payments of securities investment and intangible assets acquired at 31 December 2017 in 1Q18 and payments of

dividends in the period, partially offset by higher net cash generated from operating activities in 9M18.

Current assets increased to \$101.48 million as at 30 September 2018 from \$94.45 million as at 31 December 2017. This was due mainly to an increase in trade and other receivables in line with the increase in revenue in the period and increases in uncompleted contracts on securities dealing and cash and cash equivalents at end of the period.

Non-current assets increased to \$26.92 million as at 30 September 2018 from \$22.28 million as at 31 December 2017. The increase was due mainly to additions of plant and equipment and intangible assets (including internally-developed IT software assets) and additional investments in existing associates in the period, and an increase in strategic investment of minority stake in an institutional business partner in China in 3Q18.

Total liabilities increased to \$44.06 million as at 30 September 2018 from \$35.48 million as at 31 December 2017. This was due mainly to increases in tax payables and uncompleted contracts on securities dealing at end of the period and drawdown of a short-term loan in 3Q18, partially offset by a decrease in trade and other payables arising from settlement of payments of securities investment acquired at 31 December 2017 in 1Q18.

Consolidated Statement of Cash Flows

Net cash from operating activities increased from \$3.18 million in 3Q17 to \$3.60 million in 3Q18 and from \$8.09 million in 9M17 to \$14.01 million in 9M18, due mainly to higher operating profit generated in the period.

Net cash used in investing activities increased from \$1.38 million in 3Q17 to \$1.96 million in 3Q18, due mainly to higher additions of plant and equipment and intangible assets (including internally-developed IT software assets) in the quarter. Net cash used in investing activities was \$13.47 million in 9M18 compared to net cash of \$0.95 million from investing activities in 9M17, due mainly to settlement of payments of securities investment and intangible assets acquired at 31 December 2017 in 1Q18, and higher additions of plant and equipment in the period.

Net cash from financing activities was \$8.08 million in 3Q18 compared to net cash of \$1.44 million used in financing activities in 3Q17 and net cash from financing activities was \$3.65 million in 9M18 compared to net cash of \$4.98 million used in financing activities in 9M17. This was mainly due to a drawdown of bank short-term loan in 3Q18 for the financing of the initial capital for the virtual banking business that the Group is pursuing in Hong Kong.

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

No forecast or prospect statement was previously provided.

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

The Group's Assets Under Administration ("AUA") increased 18.7% YoY to \$8.50 billion as at 30 Sep 2018, achieving a ninth consecutive quarter of record AUA levels despite volatile market conditions in the first nine months of 2018 ("9M2018").

The Group's revenue and profitability has also continued to improve in 9M2018 as a result of the progress made in our overall business, with net revenue increasing 24.0% YoY to \$44.80 million and net profit rising 40.4% YoY to \$8.29 million. Excluding China, the Group's net profit was \$11.77 million in 9M2018, an increase of 31.6% YoY.

The Group's net cash generated from operating activities was \$14.01 million in 9M2018, compared to \$13.22 million in the whole of 2017. Excluding China, the Group's net cash generated from operating activities was \$16.84 million in 9M2018.

In recent times, the sources of the Group's net revenue have broadened. In 9M2018, contributions from net interest income arising from client AUA and Fintech Solutions IT fees have become more important.

We continue to work on improving and broadening the iFAST Fintech Ecosystem. This includes stepping up our efforts to offer a broader range of Fintech Solutions to our B2B partners, including helping to empower them with B2C Fintech capabilities.

Barring unforeseen and adverse circumstances, we expect the Group's overall business performance in 2018 to show a healthy improvement over 2017, although the losses of China operation for 2018 are expected to be slightly higher than 2017.

In recent months, we have taken steps to work towards a structure whereby in the medium to long term, our Hong Kong and China businesses could be organised as a separate standalone listed subsidiary. We expect these efforts, when materialised, to strengthen the overall capital base of the Group.

Separately, we have also applied for a Virtual Banking licence in Hong Kong. If successful, this will further improve the ability of the Group to continue growing as a leading Wealth Management Fintech Platform in Asia.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Interim
Dividend type	Cash
Dividend rate	0.75 cents per ordinary share
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Interim
Dividend type	Cash
Dividend rate	0.75 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The interim dividend will be paid on 20 November 2018.

(d) Books closure date

The Register of Members and Share Transfer Books of the Company will be closed on 8 November 2018 for the purpose of determining members' entitlements to the third interim dividend. Accordingly, registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00 Singapore 068898, up to 5.00 pm on 7 November 2018 will be registered to determine members' entitlement to the third interim dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 7 November 2018 will be entitled to the third interim dividend.

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

Not applicable.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT Mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

15. Use of proceeds from the Company's initial public offering.

Pursuant to the IPO on 11 December 2014, the Company received net proceeds of \$48.0 million from the issuance of the new shares (including over-allotment shares), after deducting for share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million.

After a review of the Group's cash flows and expansion plans, the Board decided to reallocate \$8.0 million of IPO proceeds originally intended to be used for the mergers and acquisitions strategy to be now used for the enhancement of product capabilities, IT and services of the Group instead. The Board is of the view that such reallocation of the IPO proceeds is in the best interests of the Company and its shareholders. The following table summarises the reallocation of IPO proceeds.

	Allocation of IPO proceeds	Amount reallocated on 26 October 2018	IPO proceeds utilised as at 26 October 2018	Balance of IPO proceeds
Use of net proceeds	\$' million	\$' million	\$' million	\$' million
Mergers and acquisitions strategy	27.2	19.2	11.3	7.9
Expansion of our business in the Chinese market	7.0	7.0	7.0	-
Enhancement of our product capabilities, IT and services	8.0	16.0	8.0	8.0
Working capital purposes	5.8	5.8	5.8 ⁽²⁾	-
Net Proceeds	48.0 ⁽¹⁾	48.0	32.1	15.9

Note:

(1) Estimated net IPO proceeds disclosed in the Prospectus dated 4 December 2014 was \$44.6 million and the actual net IPO proceeds received by the Company was \$48.0 million.

(2) The amount of \$5.8 million deployed for working capital purposes has been utilised for funding for new investment products distribution business, such as bonds and stocks.

Pending the deployment of the remaining net proceeds as disclosed above, the balance of IPO proceeds of \$15.9 million has been used to invest in bonds, unit trusts and short term deposits as stated in the Prospectus.

The Company will continue to make periodic announcements on the use of the proceeds as and when the funds are materially disbursed.

16. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the third quarter and nine months ended 30 September 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Leung Fung Yat, David
Chief Financial Officer
27 October 2018