STRENGTHENING OUR FINTECH ECOSYSTEM

iFAST

ANNUAL REPORT 2018

iFAST CORPORATION LTD.

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TO HELP INVESTORS AROUND THE WORLD INVEST GLOBALLY AND PROFITABLY

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iFAST Corporation ltd.

2018 Annual Report

SUSTAINABILITY@iFAST

CORPORATE GOVERNANCE | FINANCIAL STATEMENTS

*Printed copy of the Additional Information on Directors Seeking Re-appointment or Re-election is included in the AGM Booklet together with the Notice of AGM dispatched to shareholders on the AGM notice date.

iFAST CORE VALUE

INTEGRITY

We are committed to the highest standards of integrity when working with our customers, business partners, shareholders and employees

Corporate Profile & Business Model

CORPORATE PROFILE

iFAST Corporation Ltd. is a wealth management financial technology platform, with assets under administration of approximately $8.05 billion as at 31 December 2018.

Incorporated in the year 2000 in Singapore, iFAST Corporation Ltd. ("iFAST Corp" or the "Company", and together with its subsidiaries, the "Group") is also present in Hong Kong, Malaysia, China and India. The Group offers access to over 9,100 investment products including unit trusts ("funds"), bonds and Singapore Government Securities ("SGS"), stocks and exchange traded funds ("ETFs"), and insurance products. It also provides services such as online discretionary portfolio management services, research and investment seminars, financial technology ("Fintech") solutions, and investment administration and transaction services to financial advisory ("FA") firms, financial institutions, banks, multinational companies, as well as retail and high net worth ("HNW") investors in Asia.

BUSINESS MODEL

The main business divisions of iFAST Corp are:

B2C	B2B		B2B2C
FSMOne	❶ iFAST CENTRAL	❷ iFAST pensions	iFAST FINTECH SOLUTIONS
			OTHERS
fundsupermart.com INVEST GLOBALLY AND PROFITABLY	iFAST GLOBAL PRESTIGE	❸ iFAST GLOBAL MARKETS	bondsupermart

BUSINESS-TO-CONSUMER ("B2C")

- Caters to investors who prefer to do their own investments online (DIY investors).
- Offers the FSMOne multi-products transactional platform in Singapore, Hong Kong and Malaysia.
- Encompasses a wide range of investment products, and supported by user-friendly website and mobile application, research content, and customer service support.

BUSINESS-TO-BUSINESS ("B2B")

❶ - Caters to the requirements and business needs of FA firms, financial institutions and banks advising retail and HNW clients.

- Provides a suite of services to B2B partners, including a wide range of investment products, collection of fees, operational support, IT solutions, and the adoption of a wrap account.

❷ Provides tax-effective employee benefit solutions to companies that want to administer pension schemes for their employees via an Internet platform.

❸ Provides investors with transparent adviser-assisted wealth management plans.

BUSINESS-TO-BUSINESS-TO-CONSUMER ("B2B2C")

- New business division in Singapore, Hong Kong and Malaysia.
- Provides innovative and customisable Fintech solutions to institutional clients to develop and improve their Fintech capabilities.

OTHERS

- Regional bond information portal providing comprehensive bond information and research for investors and wealth advisers.

Chairman's Message

Dear Shareholders,

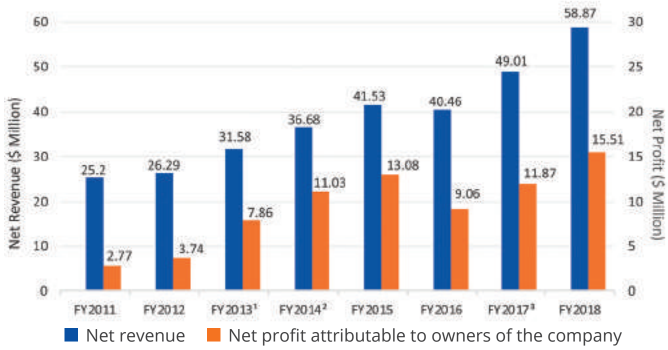
PROGRESS IN 2018

In 2018, the Group saw significant progress on several fronts. Our Group's net profit for 2018 increased 41.7% to $10.91 million, on the back of net revenue of $59.62 million (+20.6%) and gross revenue of $121.24 million. Group's net profit excluding China was higher at $15.51 million.

Chart 1 shows the net revenue and net profit of the Group (excluding China) from 2011 to 2018. The higher revenues and profits in FY2018 were achieved on the back of a 20.0% increase in average assets under administration ("AUA"). However, as at 31 December 2018, the Group's AUA increased only 6.2% YoY to $8.05 billion due to a sharp sell-down of global financial markets in 4Q2018.

As the Group continues to make further progress as an integrated wealth management platform, our sources of net revenue have broadened in recent times. Charts 2 and Chart 3 show the sources of contributions to our net revenue in 2018. The revenue streams have become more diversified compared to the past, as we are handling more financial products now, and as we start to make meaningful inroads into becoming a Fintech Solutions provider.

Chart 1: Net Revenue And Net Profit (Excluding China)



Notes:
1. Excluding one-off gain of $0.62 million on distribution to owners of the Company in October 2013
2. Excluding IPO expenses of $1.95 million in December 2014. Including IPO expenses of $1.95 million in December 2014, net profit stood at $8.56 million in FY2014
3. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018

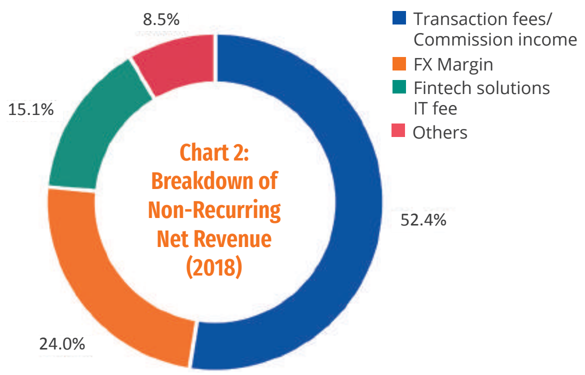


Chart 2: Breakdown of Non-Recurring Net Revenue (2018)

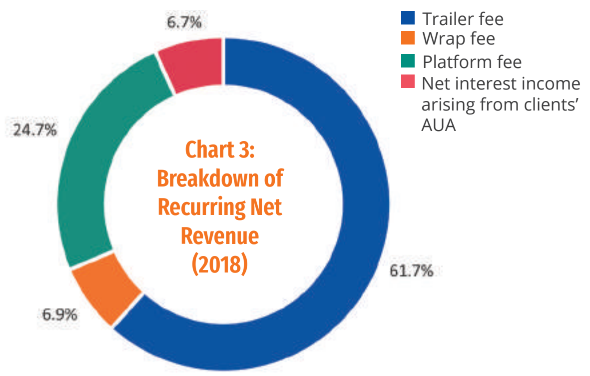


Chart 3: Breakdown of Recurring Net Revenue (2018)

We have to increasingly be at the forefront of the industry in empowering our various B2B partners

| **LIM CHUNG CHUN**

BUILDING THE FINTECH ECOSYSTEM, EMPOWERING EVOLVING BUSINESS MODELS

One of the core visions that we have is to increasingly be at the forefront of the industry in empowering our various B2B partners to embrace the opportunities offered by the Fintech revolution. This includes empowering our B2B partners with their own white-labelled B2C offerings. In helping our B2B partners to embrace Fintech solutions, we are not just an IT company offering our IT solutions.

Our Fintech solutions go beyond IT developments – it is the ability to combine IT solutions with the capabilities of a licensed financial institution having multi-product offerings, with linkages to product providers, stock exchanges and networks of financial institutions. Having a comprehensive suite of licences in various countries and having the right compliance and risk management expertise are also prerequisites.

We are in effect building a Fintech Ecosystem spanning multiple countries, as shown on page 18.

We believe that companies, big and small, will be able to successfully embrace the wealth management business opportunities offered by the evolving Internet world, provided that they have the right Fintech Solutions partners. Fintech solutions will be available for big financial institutions as well as small- and medium-sized companies such as financial advisory and wealth advisory/management firms.

We believe that business models within the wealth management industry will also be evolving in the years ahead. Convergence and cross-border Fintech opportunities will be among the drivers of the trend.

Convergence refers to the increasing linkages of the different segments of the wealth management industry. Historically, the life insurance industry, the unit trust industry and the stockbroking industry have been seen as different industries. However, the reality is that all three industries are aiming to serve the investment and long-term savings needs of the consumers. Technology and greater transparency for investors will drive industry players to become more comprehensive wealth management players, supported by a good integrated wealth management platform.

Another driver for Fintech going forward is cross-border opportunities. Historically, financial services for retail clients/individuals tend to be very much demarcated based on countries, except for the private banking segment which serves the very high net worth individuals. This is because every country has different rules and regulations, and the financial services industry has to worry a lot more about compliance and risk management issues than other industries.

Increasingly, however, the power of the Internet is breaking down geographical barriers. Regulators of various countries, recognising the potential of cross-border Fintech implications, have been introducing more regulatory changes and initiatives to ensure that Fintech in the respective countries can progress well.

FINTECH VISION 2028

While much has been discussed about the opportunities of the Fintech world in recent years, we believe that Singapore and Asia are still in the initial phases of the development and progress that will eventually be seen. As a group that is currently present in five markets in Asia, we strive to stay at the forefront of the industry as a wealth management Fintech platform.

We have set for ourselves a target AUA of $100 billion by the end of 2028. For Singapore, our key market currently, we have set for ourselves a 10-year target of $35 billion. Given the tremendous size of Asia's wealth management industry and robust growth potential for a scalable Fintech platform, we believe that the targets are achievable if we execute well.

Lim Chung Chun
CHAIRMAN AND CEO

Board of Directors & Senior Management

BOARD OF DIRECTORS


LIM CHUNG CHUN


YAO CHIH MATTHIAS


KOK CHEE WAI


NG LOH KEN PETER


TOH TENG PEOW DAVID


JANICE WU SUNG SUNG


LIM WEE KIAN


GOH BING YUAN

SENIOR MANAGEMENT

WONG SOON SHYAN

LEUNG FUNG YAT DAVID

LIM WEE KIONG

DENNIS TAN YIK KUAN

KELVIN YIP HOK YIN

BERNARD TEO WEE HOWE

MOH HON MENG

Board of Directors & Senior Management

BOARD OF DIRECTORS

(outlined) - Chairman	BRC - Board Risk Committee ("BRC")	AC - Audit Committee ("AC")
(filled) - Member	NC - Nominating Committee ("NC")	RC - Remuneration Committee ("RC")

LIM CHUNG CHUN BRC NC

Chairman & Chief Executive Officer ("CEO")

First Appointment to the Board:
11 September 2000

Mr Lim is the Chairman and CEO of our Group, and is also our co-founder. As Chairman and CEO of our Group, he is responsible for setting the strategic direction of our Group together with the Board and oversees the entire overall management of our Group. From 1991 to 1998, Mr Lim was an investment analyst with two securities companies in Singapore and eventually rose to become the Head of Research at ING Barings Securities Pte. Ltd. He co-founded Fundsupermart.com Pte. Ltd. in 2000. Mr Lim graduated with a Bachelor of Engineering (Electrical) from the National University of Singapore in 1991, and obtained a Diploma in Investment from the Institute of Banking and Finance in 1993.

Lim Chung Chun is also part of the Senior Management team.

YAO CHIH MATTHIAS BRC RC AC

Lead Independent Director

First Appointment to the Board:
1 January 2014
Reappointed to the Board:
11 April 2017

Mr Yao was previously the Minister of State at the Ministry of Defence, Minister of State at the Prime Minister's Office and Senior Minister of State at the Prime Minister's Office. From 2004 to 2011, he was the Mayor of South East District, Deputy Speaker of Parliament from 2006 to 2011, and Member of Parliament for the MacPherson Single Member Constituency from 1991 to 2011. Mr Yao was appointed as a member of the HDB Board in October 2009, and stepped down from the position on 30 September 2018. He is the Chairman of EM Services Pte. Ltd., a subsidiary of HDB. Mr Yao is also Managing Director of Agmonton Pte. Ltd. He was awarded the Overseas Merit Scholarship in 1975 and holds a Bachelor of Commerce (Honours) from the University of Birmingham, UK in 1978.

KOK CHEE WAI NC RC AC

Independent Director

First Appointment to the Board:
1 January 2014
Reappointed to the Board:
11 April 2017

Mr Kok has been a Partner in Allen & Gledhill LLP since 1998 and presently co-heads its Banking Practice. He has broad experience in domestic and international financing, which include acting for lenders and major corporates on domestic and cross-border syndicated loans, structured and acquisition financing and debt restructuring. Mr Kok graduated from the National University of Singapore with an LLB (Hons) degree in 1991. He was admitted to the Singapore Bar in 1992, when he joined Allen & Gledhill LLP.

NG LOH KEN PETER AC BRC NC

Independent Director

First Appointment to the Board:
1 January 2014
Reappointed to the Board:
8 April 2016

Mr Ng has been Managing Director of Peterson Asset Management Pte Ltd since 2000 and is also a director of Procurri Corporation Limited, a company listed on the SGX, since June 2016. He was also previously a director of OWW Investments III Ltd., a position he resigned from in February 2017. Mr Ng served as General Manager of Investments in Hong Leong Assurance Bhd, and was based in Malaysia for three years. For nine years to 1996, he served as Head of Treasury, Investment and Corporate divisions at various stages of his career with Great Eastern Life Assurance Co Ltd. Prior to that, Mr Ng was Senior Manager of an international public accounting firm and had worked for several years in their Australian and Singapore offices. From 2009 to 2010, he also served as a member on the ACRA Investment Committee. Mr Ng graduated from the National University of Singapore with a Bachelor of Accountancy degree (with Honours) in 1977. He is also a Chartered Financial Analyst charterholder. Mr Ng completed the Advanced Management Program at Harvard Business School in 1993.

TOH TENG PEOW DAVID BRC RC

Independent Director

First Appointment to the Board:
18 April 2018

Mr Toh is Director and Chief Technology Officer at NTUitive, a wholly owned subsidiary of the Nanyang Technological University of Singapore responsible for commercialising the university's scientific research and incubating startups. He is also a co-founder and CEO of Cloud Wings together with Professor Wen Yong Gang from NTU. Prior to his current role at NTUitive, Mr Toh spent 11 years working in investment banks such as ING Barings and Lehman Brothers where he was a top-rated Asia Pacific technology sector analyst. In that capacity, he also advised listed and private technology companies on corporate strategy and fund raising. After leaving investment banking, he worked as a fund manager at DBS Asset Management before setting up his own Asia Pacific focused absolute return equity fund. Mr Toh is a keen advocate of technology startups and has been an active angel investor since the late 1990s. He is currently on the board of fintech startup BankerBay. Mr Toh also sits on the Singapore Stock Exchange Listings Advisory Committee providing opinions on technology companies seeking IPOs. He graduated with concurrent degrees in B.Sc. Materials Science & Engineering and a B.A. in Government and Asian Studies from Cornell University in 1991.

JANICE WU SUNG SUNG AC

Non-Independent Non-Executive Director

First Appointment to the Board:
18 April 2018

Ms Wu is currently Executive Vice-President, Corporate Development at Singapore Press Holdings Limited and is responsible for leading its multi-discipline business development team in sourcing and executing mergers and acquisitions initiatives. Ms Wu also heads the Corporate Planning and Risk functions and sits on the Investment Committee of SPH's venture capital fund, SPH Ventures. Ms Wu has held various positions across functions with active involvement in legal advisory work, M&A transactions, joint ventures, property acquisitions, corporate planning and analytics. She sits on the board of several companies, including Mindchamps PreSchool Limited, SGCM Pte Ltd, SPH Radio Pte Ltd, The Seletar Mall Pte Ltd and SPH's joint venture companies for the mixed development at Bidadari estate. Ms Wu holds a Bachelor of Laws (Honours) from the National University of Singapore and was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1993.

Board of Directors & Senior Management

BOARD OF DIRECTORS

LIM WEE KIAN

Non-Independent Non-Executive Director

First Appointment to the Board:
28 April 2004
Reappointed to the Board:
11 April 2017

Mr Lim is a Managing Director in the Foreign Exchange desk, Treasury and Markets at DBS Bank and has been with the bank since August 2004. Prior to joining DBS Bank, he was with various investment banks and was a member of the teams engaged in the trading of foreign exchange and interest rate products. Mr Lim graduated with a Bachelor of Business from Nanyang Technological University in 1992.

GOH BING YUAN

BRC

Executive Director

First Appointment to the Board:
2 January 2018
Reappointed to the Board:
18 April 2018

Mr Goh is the Director of IT Applications. He joined the Group in 2004 and was involved in the development of various IT systems and applications for our Singapore operation. Subsequently, he led the setup and launch of various systems and platforms for our Group in Singapore, Hong Kong, Malaysia and India. In 2013, Mr Goh was promoted to Director, IT Applications. He was also a Non-Executive Board Director of iFAST India Holdings Pte Ltd (formerly known as Pecuniam Pte Ltd) and its subsidiaries, which include the iFAST India platform business since 2010. He also served as Non-Executive Director on the board of iFAST Capital Sdn Bhd from 2012 to 2014. Mr Goh graduated from Middlesex University, London with an Honours Degree in Information Technology with Business Information Systems in 2004 and a Masters' in Business Administration from The University of Manchester in 2016.

Goh Bing Yuan is also part of the Senior Management team.

SENIOR MANAGEMENT

WONG SOON SHYAN

Group Chief Operating Officer ("COO")

Mr Wong is responsible for the day-to-day management of our Group as the Group COO. He is also our Chief Risk Officer ("CRO"). Prior to joining our Group, Mr Wong was with a well-known fund management company as a manager responsible for the marketing, product development, sales administration and sales in respect of funds from 1994 to 2000. From 1989 to 1991, he worked briefly as an external auditor before joining a foreign bank as a credit analyst, and from 1992 to 1994, he worked as an accountant. Mr Wong graduated with a Bachelor of Accountancy from the National University of Singapore in 1989. He is also a Chartered Financial Analyst.

LEUNG FUNG YAT DAVID

Group Chief Financial Officer ("CFO")

Mr Leung joined our Group in August 2006 and is responsible for our Group's financial and accounting matters. He has more than 20 years of experience in auditing, accounting, taxation and financial management. Prior to joining our Group, Mr Leung worked as an auditor in the Hong Kong and Singapore offices of an international accounting firm from 1991 to 1998 and was promoted to assistant manager in 1996. From 1999 to 2006, he held various financial and accounting positions in companies in different industries including companies in the business of machinery and equipment manufacturing, the provision of e-commerce services, investment holdings, electronics and semiconductors, retail and the manufacture and trading of health food products. Mr Leung graduated with a Bachelor of Arts in Accountancy with Honours from the Hong Kong Polytechnic University in 1991 and obtained a Master of Business Administration, Imperial College London, United Kingdom.

LIM WEE KIONG

Managing Director, iFAST Singapore

Mr Lim is the Managing Director of our B2B Business in Singapore. After joining our Group in April 2001, he took on the role of General Manager in 2006 and was responsible for the overall management of our B2B Business. Mr Lim was promoted to Managing Director, Platform Services Singapore, and was appointed as a Director of iFAST Financial Pte Ltd, in 2016. Prior to joining our Group, he worked as a credit and marketing officer in a local bank and a product and marketing executive at a company dealing in automation products. From 1995 to 1997, Mr Lim worked as an insurance agent with two life insurance companies. He graduated with a Bachelor of Business (Banking and Finance) from Monash University, Australia in 2000. Mr Lim also obtained a Diploma in Investment from the Institute of Banking and Finance in 1998 and a Diploma in Computer Studies from Ngee Ann Polytechnic in 1995.

DENNIS TAN YIK KUAN

Managing Director, iFAST Malaysia

With over 10 years of experience in the funds industry, Mr Tan oversees both the B2B and B2C divisions of our business in Malaysia. Mr Tan joined our Group in 2002 as an IT Manager and was involved in the development of end-user portfolio and investment software tools and applications for B2B customers. In 2004, he took on the position of Business Development Manager responsible for the growth of the software division business. In 2006, Mr Tan was promoted to Managing Director of iFAST Service Centre Sdn Bhd and in 2008, he took on the role of Managing Director of iFAST Malaysia. Prior to joining our Group, he was a software engineer with a software house. Mr Tan is a Computer Science graduate from University Putra Malaysia and is a Certified Financial Planner (CFP). He is currently the Deputy President of Financial Planning Association of Malaysia (FPAM).

KELVIN YIP HOK YIN

Managing Director, iFAST Hong Kong

Mr Yip joined the Group in 2006 and was promoted to General Manager of Platform Services HK in April 2009, before assuming the role of iFAST HK COO in April 2014. Prior to joining our Group, Mr Yip was an environmental engineer in a major construction group from 2001 to 2003. From 1999 to 2001, he conducted environmental audits in factories across Asia in a global apparel group. Mr Yip graduated with a Bachelor of Applied Science in Bio-Resource Engineering from the University of British Columbia, Canada in 1999. He also holds a Master of Science in Mechanical Engineering from the Hong Kong Polytechnic University in 2004 and a Master of Business Administration degree from the Chinese University of Hong Kong in 2006.

BERNARD TEO WEE HOWE

Legal Representative, iFAST China

Mr Teo currently leads the Group's business development in the China market and oversees the running of the business operations of iFAST China. Mr Teo was the General Manager of iFAST Financial China Limited (formerly known as iFAST Financial Limited) from 2014 to 2017. He is also a member of the Fund Distribution Specialised Committee of Shenzhen Asset Management Association (深圳投资基金同业公会基金销售专业委员会委员). Mr Teo has more than 10 years of operational experience in the funds distribution space, and he was previously the Regional Head of Operations & Settlements at iFAST Financial Pte Ltd, overseeing the Group's operations and settlements teams across Singapore, Hong Kong, Malaysia and India. Mr Teo holds a Bachelor of Business (Economics and Finance) with Distinction from Royal Melbourne Institution of Technology and a Diploma in Banking and Finance from Nanyang Polytechnic.

MOH HON MENG

Director of Fintech Media/ Co-founder, iFAST Singapore

Mr Moh coordinates the User Interface (UI) / User Experience (UX), content and fintech media execution, for the Group. Mr Moh co-founded Fundsupermart.com with Chairman and CEO Mr Lim Chung Chun in 2000 and was an Executive Director on the iFAST Corp board until 2010 when he became a Non-Executive Director. He stepped down as Non-Executive Director in 2014 and became Chairman of iFAST India Holdings Pte Ltd (formerly known as Pecuniam Pte Ltd), a non-executive role that he still holds today. Mr Moh spent the years 2010 to 2017 co-founding and investing in several Internet start-ups. He returned to a full-time role in the above capacity in January 2018. Before co-founding the company, Mr Moh worked in sales and marketing roles for several multinational companies. Mr Moh graduated from the National University of Singapore with a Bachelor of Arts degree in 1992. He majored in Economics and Psychology and minored in Philosophy.

Corporate Organisation

SINGAPORE

iFAST FINANCIAL PTE. LTD.

- Central Provident Fund Investment Scheme (CPFIS)-registered Investment Administrator

Held Licences and Registration:

- Capital Markets Services Licence [MAS]
- Financial Adviser Licence [MAS]
- Exempt Insurance Broker [MAS]
- SGX Trading Member [SGX]
- CDP Depository and Clearing Agent [CDP]

HONG KONG

iFAST FINANCIAL (HK) LIMITED

- Operates the B2C (FSM) and B2B platforms

Held Licences and Registration:

- Type 1 - Dealing in Securities [SFC]
- Type 4 - Advising on Securities [SFC]
- Type 9 - Asset Management [SFC]
- MPFA

iFAST PLATFORM SERVICES (HK) LIMITED

- Operates the iGP platform

Held Licences and Registration:

- Type 1 - Dealing in Securities [SFC]
- Type 4 - Advising on Securities [SFC]
- Type 9 - Asset Management [SFC]
- MPFA

iFAST SECURITIES (HK) LIMITED

- Formerly known as Winfield Securities Limited
- Principally engaged in securities trading and brokerage in Hong Kong

Held Licences and Registration:

- Type 1 - Dealing in Securities [SFC]
- SEHK Participant
- HKSCC Participant

iFAST INSURANCE BROKERS (HK) LIMITED

- Formerly known as Canadian Financial Consultants Limited
- Principally engaged in insurance brokerage in Hong Kong

Held Licences and Registration:

- Hong Kong Confederation of Insurance Brokers (CIB)
- MPFA

MALAYSIA

iFAST MALAYSIA SDN BHD & iFAST CAPITAL SDN BHD

- iFAST Malaysia Sdn Bhd is the holding company for iFAST Capital Sdn Bhd

Held Licences and Registration:

- Capital Market Services Licence [SC]
- Registered IUTA and IPRA [FIMM]
- Financial Advisers Licence [BNM]

iFAST SERVICE CENTRE SDN BHD

- Regional service centre, provides call services, IT applications development, operations and settlements support

CHINA

iFAST FINANCIAL CHINA LIMITED

- Formerly known as iFAST Financial Limited
- Provider of funds distribution and investment platform services to companies including FA companies, e-commerce platforms, Independent Funds Distributors and Brokerage Firms in China

Held Licences and Registration:

- Fund Distributor Qualification [CSRC]
- Associate Member of AMAC
- Member of SAMC

INDIA

iFAST INDIA HOLDINGS PTE LTD (ASSOCIATE COMPANY)

- Formerly known as Pecuniam Pte Ltd
- iFAST Corp holds an effective 19.3% stake in iFAST Financial India Pvt Ltd through iFAST India Holdings Pte Ltd as at 31 December 2018

iFAST FINANCIAL INDIA PVT LTD

Held Licences and Registration:

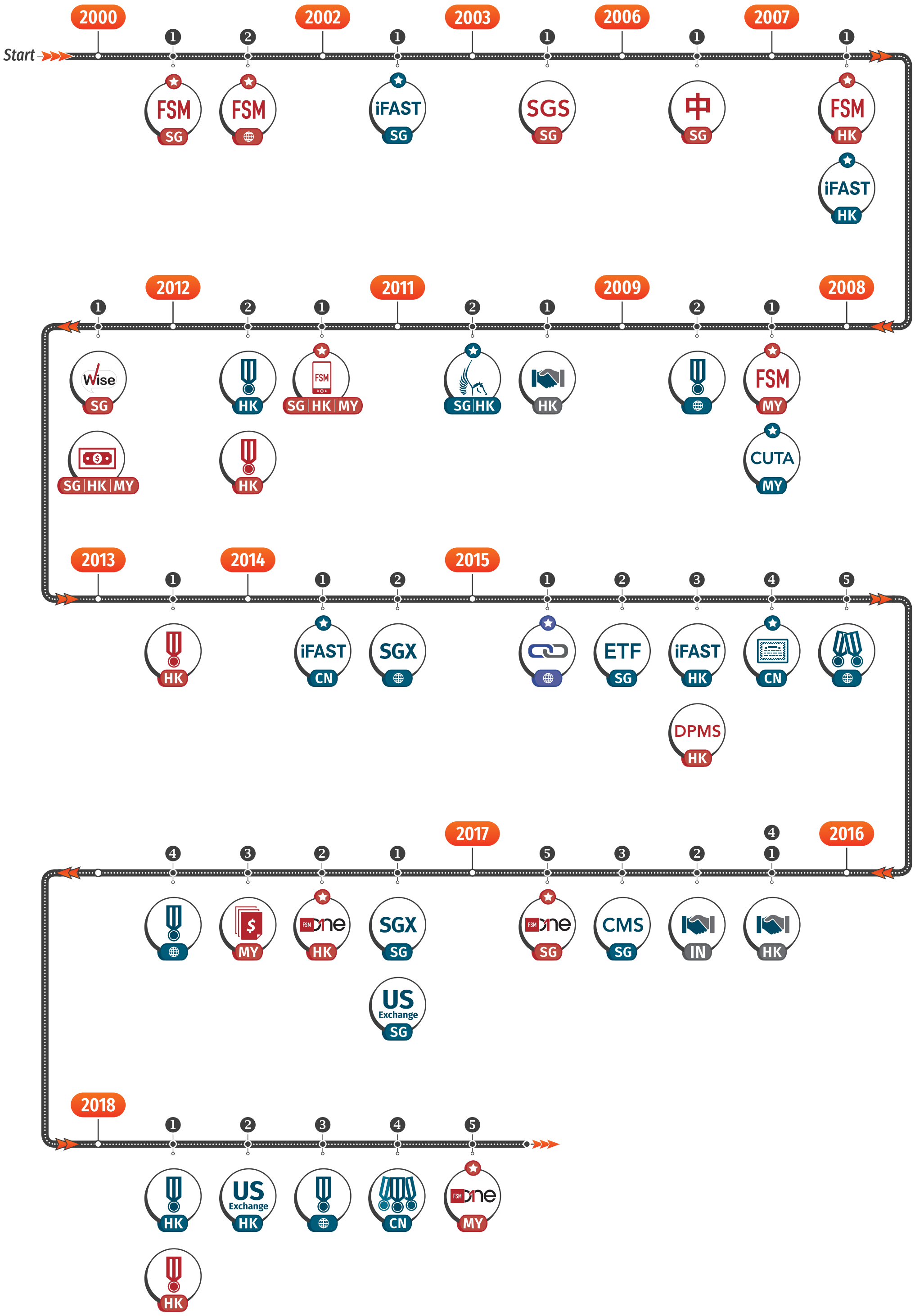
- Registered Investment Adviser with the Securities and Exchange Board of India
- Association of Mutual Funds in India (AMFI)
- Bombay Stock Exchange (BSE)
- Central Depository Services (India) Ltd

MAS – Monetary Authority of Singapore
SGX – Singapore Exchange Limited
CDP – The Central Depository (Pte) Limited
SFC – Securities and Futures Commission
MPFA – Mandatory Provident Fund Schemes Authority
SEHK – The Stock Exchange of Hong Kong Limited
HKSCC – Hong Kong Securities Clearing Company Limited

SC – Securities Commission Malaysia
IUTA – Institutional UTS Adviser
IPRA – Institutional PRS Adviser
FIMM – The Federation of Investment Managers Malaysia
BNM – Bank Negara Malaysia
CSRC – China Securities Regulatory Commission
AMAC – Asset Management Association Of China
SAMC – Shenzhen Asset Management Association

2000 - 2018

Milestones & Awards



■ – iFAST
■ – FSM
■ – Bondsupermart
■ – Acquisition

SG – Singapore
HK – Hong Kong
MY – Malaysia
CN – China

IN – India
– Corp
★ – Launch of Office/Division

DETAILS

2000

1. Fundsupermart.com Pte Ltd was incorporated in Singapore in January (subsequently renamed iFAST Financial Pte. Ltd. in April 2003).

2. Fundsupermart Holdings Pte. Ltd. was incorporated in September (renamed iFAST Corporation Pte. Ltd. in March 2003).

2002

1. iFAST Platform Services (B2B) was launched in Singapore to provide a dedicated unit trust investment platform and custodian services to IFAs and their respective clients.

2003

1. FSM Singapore ("FSM SG") started distributing Singapore Government Securities.

2006

1. The Chinese version of FSM SG was launched, the first player in the unit trust retail market to target Chinese investors.

2007

1. iFAST Corp commenced operations in Hong Kong with the launch of FSM Hong Kong ("FSM HK") in July; the B2B business was launched a year later in July 2008.

2008

1. iFAST Malaysia launched FSM Malaysia ("FSM MY") in September and the iFAST Platform services for Corporate Unit Trust Advisers ("CUTAs") in October.

2. iFAST Corp clinched the 2nd position at the Enterprise 50 award.

2009

❶ iFAST Corp acquired ING Platform Services Ltd ("IPS"), a Hong Kong-based platform (subsequently renamed iFAST Platform Services (HK) Limited).

❷ iFAST Global Prestige ("iGP") platform was first launched in Singapore before commencing operations in Hong Kong in July 2010.

2011

❶ "FSM Mobile" App for iPhone was launched in Singapore, Hong Kong and Malaysia. The Android version was launched thereafter in May.

❷ iFAST HK received the "Best-in-Class" award in the "Platform Provider of the Year – Professional" category and FSM (HK) received the "Best-in-Class" award in the "Best in Online Usability" category at the Benchmark Wealth Management Awards 2011.

2012

❶ FSM SG launched its WISE ("Where Income & Savings are Enhanced") programme, offering over 50 bond funds at 0% sales charge. Subsequently, the "Bond Funds at 0%" initiative began on FSM HK in 2012 and on FSM MY in 2013. Sales charges for all bond funds were lowered to 0% on FSM SG in 2014.

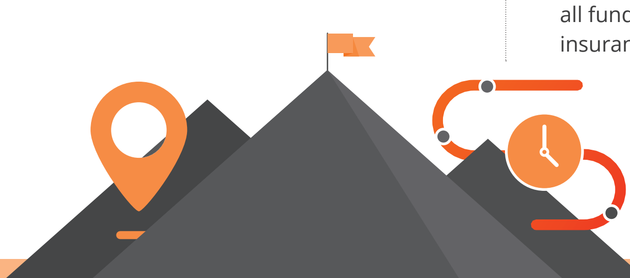
2013

❶ FSM HK received the "Best-in-Class" award in the "Online Usability – Independent" category and was named "Outstanding Achiever" in the "Investment Platform – Independent" category at the Benchmark Wealth Management Awards 2013.

2014

❶ iFAST China was incorporated in July.

❷ iFAST Corp (Stock Code: AIY) was officially listed on the SGX-ST Mainboard on 11 December 2014.



2015

❶ Launch of Bondsupermart.

❷ iFAST Singapore began the distribution of bonds and ETFs in May.

❸ iFAST HK received approval to carry out Type 9 Regulated Activities (Asset Management), after which the online Discretionary Portfolio Management Service (DPMS) was launched on FSM HK.

❹ iFAST China received Funds Distributor Qualification.

❺ iFAST Corp was awarded "Best Investor Relations – Merit Award" at the Singapore Corporate Awards 2015 under the First-Year Listed Companies category, as well as the "Most Transparent Company Award 2015, New Issues Category" at the SIAS Investors' Choice Awards 2015.

2016

❶ iFAST Corp acquired Winfield Securities Limited, a Hong Kong securities firm in January (subsequently renamed iFAST Securities (HK) Limited).

❷ Acquisition of a stake in the holding company of iFAST India platform business in April.

❸ iFAST Singapore received approval for additional regulated activities of fund management to be included to its Capital Markets Services licence and to include listed stocks in its conduct of dealing in securities and providing of custodial services for securities, in November.

❹ Acquisition of Canadian Financial Consultants Limited, an insurance brokerage firm in Hong Kong in November (subsequently renamed iFAST Insurance Brokers (HK) Ltd).

❺ FSMOne multi-products and services platform was launched in December in Singapore, offering products and services such as HKEX Stocks/ETFs, online discretionary portfolios management services (FSM MAPS), all funds at 0%, Bond Express, and insurance products.

2017

❶ iFAST Singapore was admitted as a Trading Member of Singapore Exchange Securities Trading Limited (SGX-ST), and a Clearing Member of The Central Depository (Pte) Limited (CDP) in June; launch of SGX trading capabilities and US stockbroking services in Singapore in December.

❷ FSMOne was launched in November in Hong Kong following the launch of stocks and ETFs on FSM HK in April.

❸ Launch of bonds and managed portfolios in April and May respectively on FSM MY.

❹ iFAST Corp emerged as first runner up in the "Best in Sector – Information Technology" category at IR Magazine Awards & Conference – South East Asia 2017.

2018

❶ iFAST HK was awarded Internet Finance Award 2017 Bronze Prize in the licensed Financial Institution category; FSM HK received the Corporate Financial Education Leadership Awards in the "IFPHK Financial Education Leadership Award 2018" organised by the Institute of Financial Planners of Hong Kong (IFPHK) in January.

❷ Launch of US stockbroking capabilities in Hong Kong in July.

❸ iFAST Corp won the "Best Investor Relations – Silver Award" in the Companies with less than S$300 million in market capitalisation category at the Singapore Corporate Award 2018 in July.

❹ iFAST China was awarded "Ten Most Powerful Fintech Brands in China 2018" and "Top 100 Financial Innovation Brands in China 2018" at the China Financial and Investment Annual Awards 2018 (2018中国金融与投资年度颁奖典礼) in September; iFAST China also received "Best Mutual Fund Sales Agency" Award at the 2018 Mutual Fund Summit and Golden Tripod Awards Ceremony (2018公募基金高峰论坛暨公募基金•金鼎奖颁奖典礼) in November.

❺ Launch of FSMOne in Malaysia in December.

2018 In Perspective

iFAST CORP

KEY PROGRESS IN 2018:
The Group's revenue and profitability grew healthily in 2018 as a result of the progress made in its overall business during the year.

In recent times, the sources of the Group's net revenue have also broadened. In 2018, contributions from net interest income arising from clients' AUA and Fintech Solutions IT fees have grown in importance.

KEY FOCUS FOR 2019:
- Scale up the businesses in the markets the Group operates in, building on the substantial progress made in the last few years.
- Continue to improve and broaden the iFAST Fintech Ecosystem, including stepping up efforts to offer a broader range of Fintech Solutions to our B2B partners, such as empowering them with B2C Fintech capabilities.

SINGAPORE

KEY PROGRESS IN 2018:
Although global markets were turbulent in 4Q2018, net revenue and net sales for iFAST Singapore continued to achieve YoY growth in 2018, supported by the enhanced range of services added in the last few years.

KEY FOCUS FOR 2019:
Build up and push out more initiatives that improve user experience and ease of transaction, such as:
- Integration with MyInfo to simplify the account opening process (launched on FSMOne.com in January 2019)
- Revamping ETFs Hub for easier access to specific information of ETFs on SGX, HKEX and US exchanges
- Enhancing mobile capabilities of B2B FA partners, helping them to reach out to customers who invest online.

HONG KONG

KEY PROGRESS IN 2018:
Despite volatile market conditions, iFAST Hong Kong continued to see healthy YoY growth in AUA, net revenue and net profit before tax.

Strong growth was seen in bond sales across B2B and B2C segments, with the latter hitting a record high in 4Q2018.

US stockbroking services were launched in 3Q2018 on both B2B and B2C divisions, providing further support for stocks and ETFs sales, which gained traction in 2018.

KEY FOCUS FOR 2019:
Further enhance the trading and dealing processes across various iFAST Hong Kong platforms (web and mobile applications), such as:
- Bond dealing process
- US stocks/ETFs trading, as this will allow discretionary managers and investors alike to tap into this investment product type for better diversification and to capture more investment opportunities.

MALAYSIA

KEY PROGRESS IN 2018:
Overall AUA, net revenue and net profit before tax achieved YoY growth in 2018, despite poor investor sentiments in most part of the year.

AUA for bonds (launched in 1H2017) continued to grow throughout 2018, as investors are now more familiar with this asset class. Volatility in equity markets also led to investors turning to bonds investments.

The Fintech Solutions division continued to contribute positively to net revenue and remains as one of the key growth drivers for iFAST Malaysia.

KEY FOCUS FOR 2019:
Continue to scale up the growth for the newer products brought on board iFAST Malaysia, and to further develop the Fintech Solutions division.

CHINA

KEY PROGRESS IN 2018:
While uncertain market conditions rattled investors' confidence, iFAST China's AUA and net revenue still achieved positive YoY growth in 2018.

The B2B2C business has grown significantly in 2018. The total number of publicly offered mutual funds on the China platform increased to over 3,000 in 2018.

KEY FOCUS FOR 2019:
With the efforts taken to step up the initial growth, iFAST China is expected to show good growth potential in the years ahead as we continue to:
- Build the iFAST brand among potential clients and investment practitioners
- Leverage on the positive momentum brought about by regulatory reformations moving financial markets in the right direction
- Focus on bringing on-board quality private funds onto the platform, to better serve the accredited investors in China.

INDIA

KEY PROGRESS IN 2018:
iFAST Corp holds an effective 19.3% share in iFAST India business, which continues to be in the unique position as a platform that serves the nascent and growing fee-based advisory community, with Wrap AUA and admin fee revenue seeing strong growth in 2018.

KEY FOCUS FOR 2019:
- Wrap ETFs and equities business is expected to grow significantly in the coming years as iFAST India continues to work towards establishing a linkage with the National Stock Exchange of India (NSE).

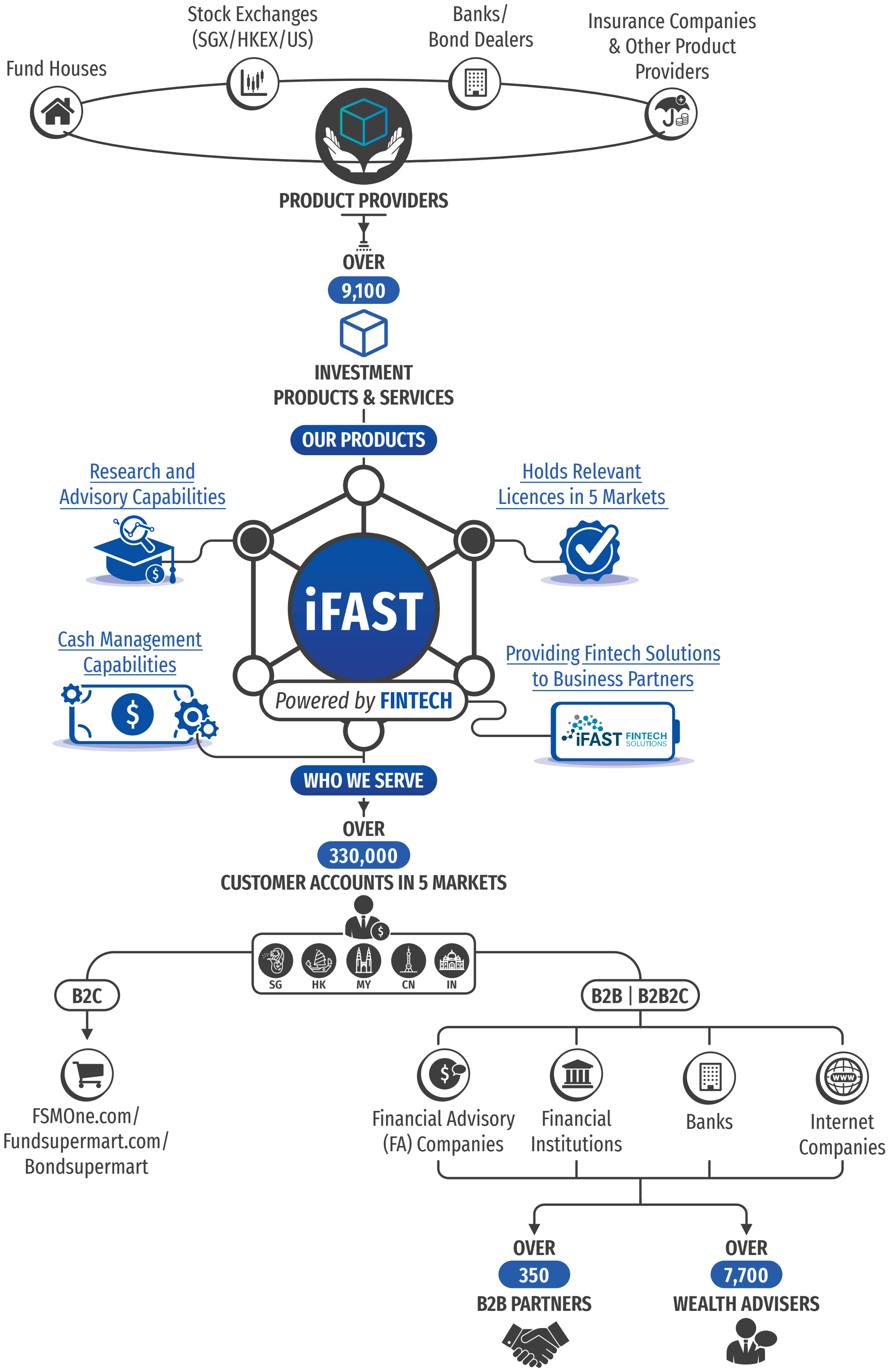
- iFAST Corp may consider increasing its stake in India, as regulatory reforms by the Indian government have been beneficial for the growth of the Fintech industry in India.

iFAST CORE VALUE

INNOVATION

We believe with innovation and improvement, we can continue to add value to our stakeholders

Our Fintech Ecosystem



OUR PLATFORMS

bondsupermart | fundsupermart.com | FSM One | iFAST CENTRAL | iFAST GLOBAL PRESTIGE | iFAST GLOBAL MARKETS | iFAST

Our Fintech Footprint

2000 - 2013

BUILDING THE FOUNDATION

Focus on building Fintech capabilities inhouse to efficiently and effectively deliver innovative solutions to our customers and business partners:

- In-house IT teams developing proprietary IT systems to bring UT transactional process online
- Dedicated B2B and B2C platforms as well as mobile applications developed in-house to cater to the specific needs of Financial Advisers and DIY investors respectively
- Developing innovative and robust IT capabilities on our platforms to enhance user experience, such as improving the website interface to make it more user-friendly, and to improve the ease of navigation and transactional process
- Providing easily accessible and transparent information, independent research, relevant product information and investment tools (charting tools) to help investors make informed decisions

2014 - 2018

STEPPING UP THE GAME

Focus on broadening the range and depth of investment products and asset classes available on our platforms, bringing on board bonds, stocks, ETFs, managed portfolios etc.:

- Launch of FSMOne.com to streamline and enable transactions of various products with one account and to enhance user experience
- New tools launched together with the new services (e.g. Stock Screener and Stock Calculator, comparison tools for insurance plans, and portfolio simulators)
- Managed portfolios: all-in-one online investment advisory service that builds, monitors and rebalances portfolios on behalf of clients
- Adopting the IT Partnership ("ITP") structure to encourage innovation and to attract and retain IT talents

FUTURE

iFAST'S FINTECH VISION 2028

Next Page >>>

Fintech Vision 2028

To be a Leading Wealth Management Fintech Platform in Asia

S$100 BILLION AUA TARGET

iFAST Corp has set an AUA Target of S$100 billion to be achieved by the year 2028*. For Singapore, our key market currently, we have set a 10-year target of S$35 billion* in AUA.

Given the tremendous size of Asia's wealth management industry and robust growth potential for a scalable Fintech platform, we believe that the targets are achievable if we are able to execute well.

** These targets do not constitute as forecasts or profit guidance*

EMPOWERING B2B PARTNERS

Our focus on building our Fintech resources in-house since the early days has given us valuable experience in understanding the industry's needs, while our expertise in operating the B2B and B2C platforms puts us in a unique position, allowing us to develop effective and innovative Fintech solutions for our B2B companies and business partners as well as their clients (B2B2C model).

This includes delivering customised solutions to upgrade their IT systems, websites, and mobile applications, with the objectives to improve platform usability, user experience and overall IT capabilities. This will help to empower our B2B partners to advance their wealth management business.

EMERGING B2B2C MODEL

Our Fintech Solutions department is an emerging business division that has started contributing revenue to the Group, with more institutional clients engaging us to develop and roll out new fintech capabilities rapidly and at affordable costs.

We have signed up a number of companies from the wealth management industry to help improve their Fintech capabilities and we expect the revenue contributions to increase from this division.

iFAST Corp sees the financial eco-system undergoing rapid and tremendous changes in the next 10 years because of factors including Fintech innovation and regulations, and shifts in consumer behaviours. We believe we have the capabilities and licences to tap on the Fintech opportunities in the markets we operate in, including Asia's major financial centres of Singapore and Hong Kong, and Asia's two economic behemoths of China and India.

CROSS BORDER FINTECH OPPORTUNITIES

Historically, financial services for retail clients/individuals tend to be very much demarcated based on countries, except for the private banking segment which serves the very high net worth individuals. This is because every country has different rules and regulations, and the financial services industry has to worry a lot more about compliance and risk management issues than other industries. Therefore, we see big opportunities for forward-looking Fintech companies that understand how to tap into the increasing cross border opportunities.

MARKET

STRENGTHENING CAPABILITIES, LARGER ADDRESSABLE MARKET

With our enhanced products and services capabilities (current and future), our addressable market size has expanded from investors searching for better investment options from unit trusts and bonds, to include the opportunities in the stockbroking and cash deposits space.

New products and services that we have launched in 2018 include:
SINGAPORE: Online IPO Subscription for SGX/HKEX stocks (for accredited investors and investors who subscribe $200,000 or more); online ETF IOP Subscription (from 2H2018)
HONG KONG: US stockbroking capabilities launched in July 2018
MALAYSIA: Launch of FSMOne.com and iFAST Fintech Solutions

STRONG REVENUE MODEL

Our AUA accumulation model in the long term aligns with the interest of Advisers and Clients in the longer term. We believe our revenue model, where recurring revenue contributions have been especially significant, will continue to be supported from the additional sources of revenue from Fintech solutions and cash management facilities.

VIRTUAL BANKING

iFAST Group will continue to pursue the Virtual Banking licence application. We continue to believe that for a group like iFAST that already has a well-established Fintech Ecosystem, a Virtual Banking licence will give us the ability to provide some basic banking services such as deposit taking and lending, which can potentially enhance the capability of a wealth management platform substantially.

2018

Key Charts & Numbers

ALL DATA AS AT 31 DECEMBER 2018

SHARE INFORMATION

Share Price

1.070 $

Capital Gain

+20.90 %

(Calculated using the 31 December 2018 closing price of $1.070 and the 31 December 2017 closing price of $0.885)

Market Capitalisation

285.45 $ MILLION

52-Weeks

$0.865 Low ◂ ▸ High $1.220

DIVIDEND INFORMATION

Dividend Yield

3.02 %

Dividend Per Share

3.15 ¢

Total Return

23.92 %

Dividend Payout

76.90 %

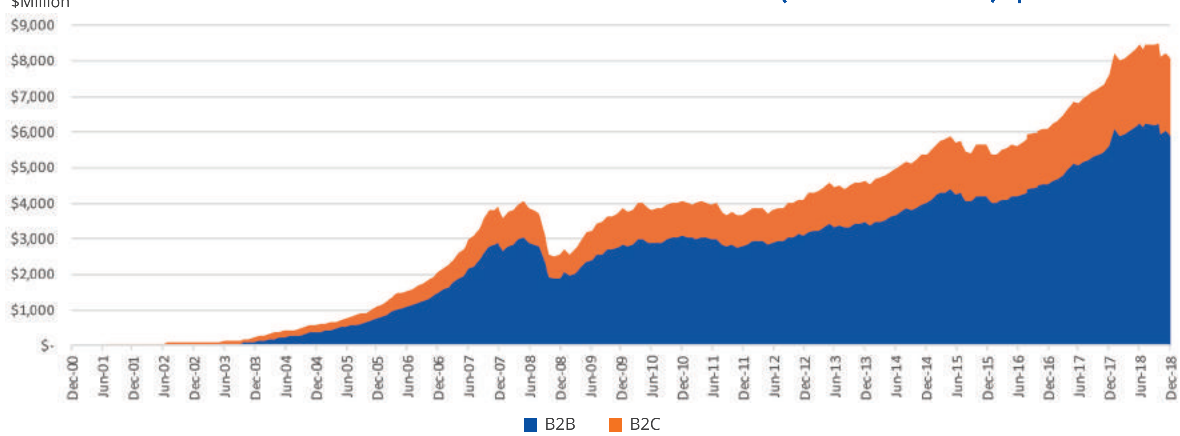
- Dividend yield is calculated using full year dividend of 3.15 cents divided by weighted average share price during the year of $1.043 and including the proposed final dividend for FY2018 of 0.90 cents per share which is subject to approval at the upcoming AGM
- Dividend payout is calculated based on the Group's net profit in FY2018

ASSETS UNDER ADMINISTRATION ("AUA")

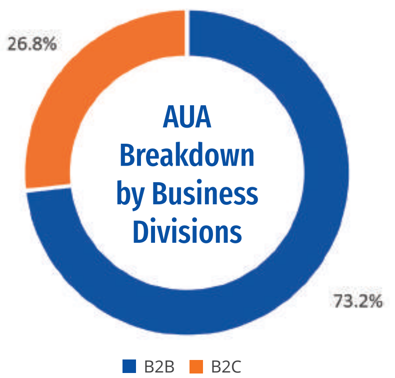
AUA represents the total net value of investment products held under the custody of iFAST Corp and is a significant indicator of the Group's results, given recurring net revenue is correlated to the AUA and contributes the biggest proportion of the overall net revenue.

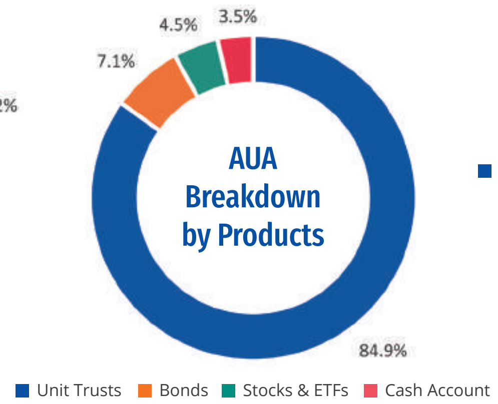
iFAST Group's average AUA grew 20.0% YoY in the whole year of 2018. However, as at 31 December 2018, the Group's AUA increased only 6.2% YoY to $8.05 billion due to a sharp sell-down of global financial markets in 4Q2018.[1]

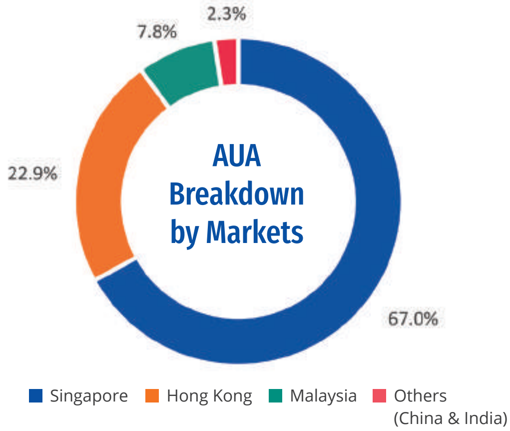
AUA (as at 31 Dec 2018): $8.05 Billion[1]



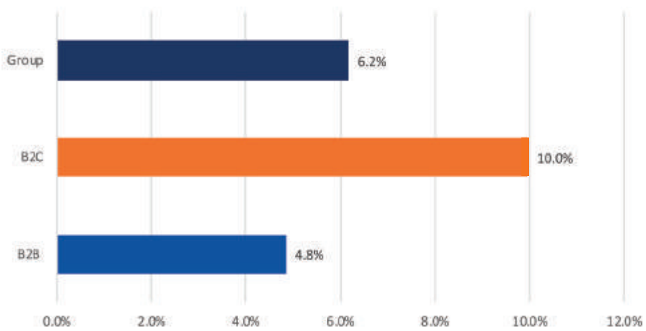
[1]The Group's AUA as at 31 December 2018 includes its effective 19.3% share of the India Business



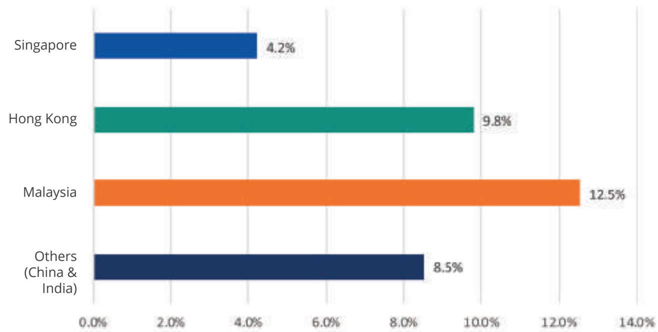




AUA YoY Growth in 2018 by Business Divisions



AUA YoY Growth in 2018 by Markets

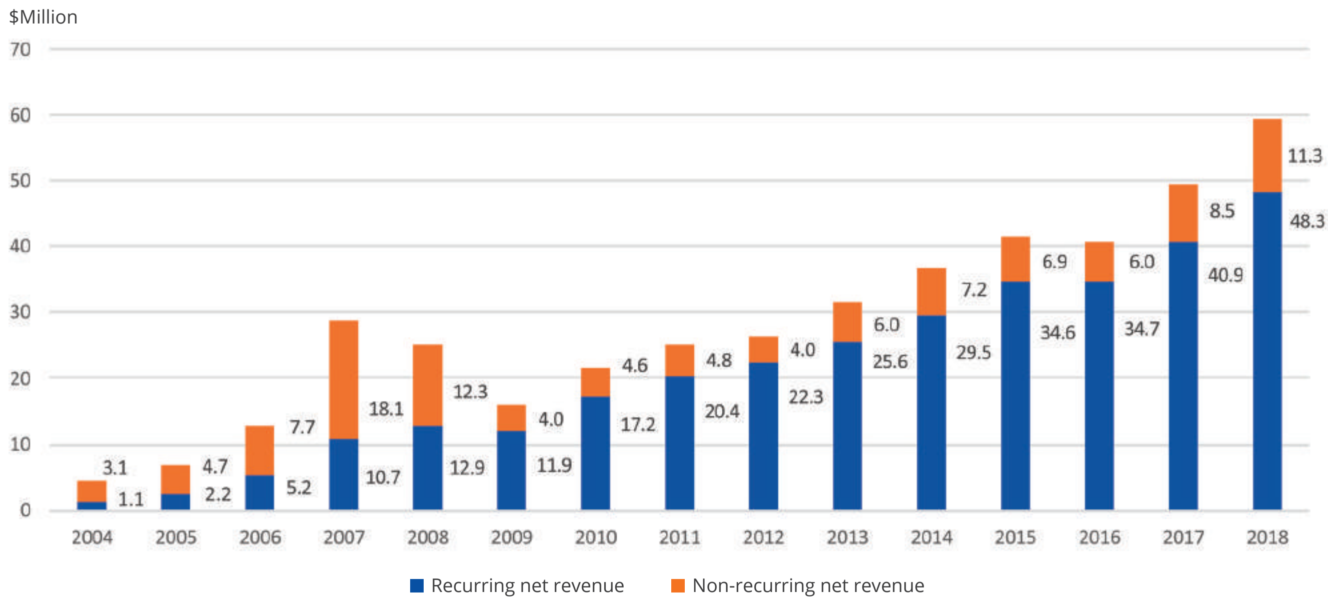


2018

Key Charts & Numbers

ALL DATA AS AT 31 DECEMBER 2018

RECURRING VS NON-RECURRING NET REVENUE



NET REVENUE, RECURRING NET REVENUE AND OPERATING EXPENSES AS A RATIO OF AVERAGE AUA

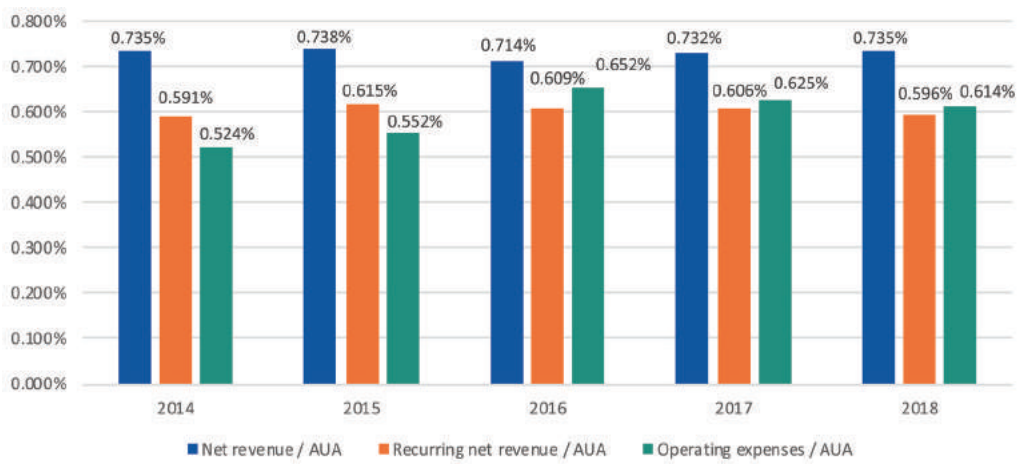
In view that our China operation is a relatively new market for the Group, we are presenting our results based on the results of:

(1) Group excluding China operation;
(2) Group including China operation.

By adopting such a structure, investors are able to better assess the performance of the Group in our core operations in Singapore, Hong Kong and Malaysia, with and without the impact from our newer China operation.

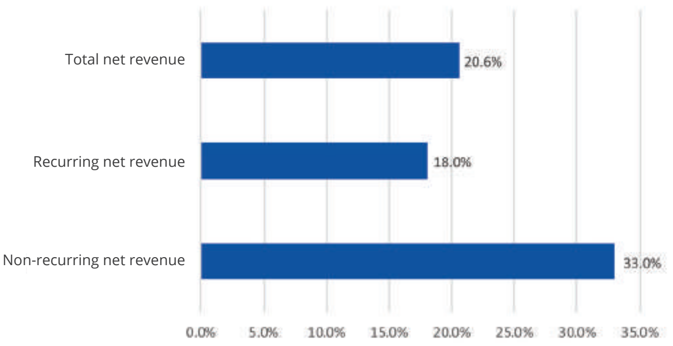
Net Revenue and Operating Expenses as a Ratio of Average AUA for Group

INCLUDING CHINA

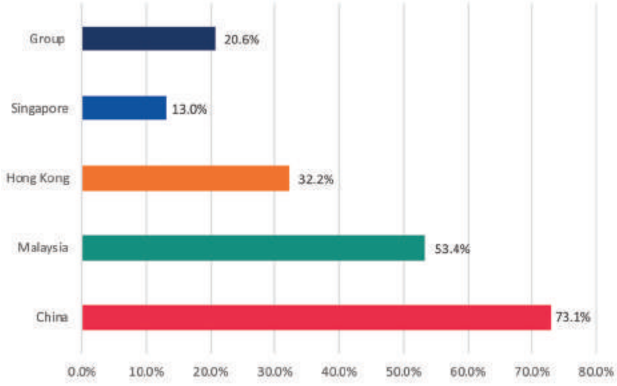


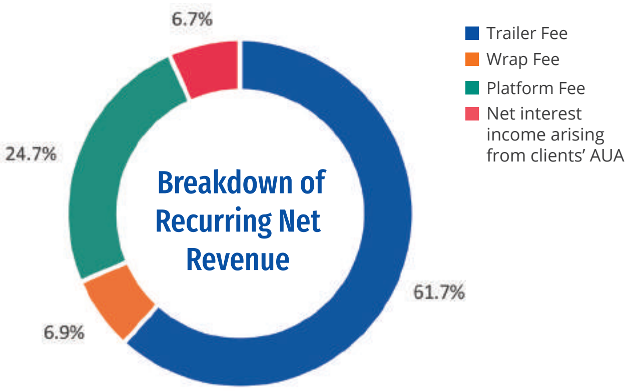
As Total Revenue includes the amount of monies payable to our B2B partners, the net revenue is a better representation of the actual revenue received by the Company, and constitutes two components, namely the recurring and non-recurring net revenue. 82.6% of our net revenue is recurring in the 2014-2018 period, mainly coming from trailer fees from suppliers (i.e. fund houses), platform fees from B2C and B2B customers, wrap fees from B2B customers and net interest income arising from clients' AUA.

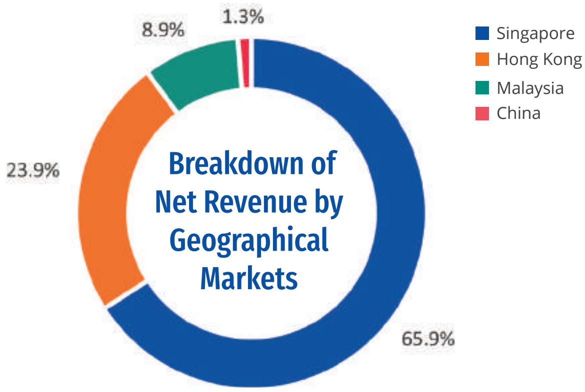
Net Revenue YoY Growth in 2018



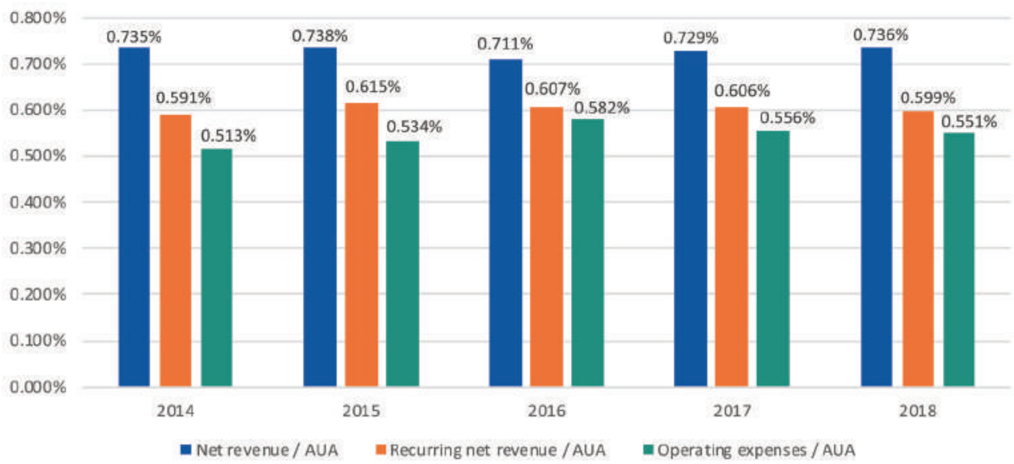
Net Revenue YoY Growth in 2018 by Markets







EXCLUDING CHINA



2018
Financial Highlights and Review

FINANCIAL SUMMARY

Financial year ended 31 December	2018	2017[4]	2016	2015	2014[1]
FINANCIAL PERFORMANCE INCLUDING CHINA OPERATION ($'000)					
Revenue	**121,243**	101,167	80,596	85,339	78,354
Net revenue	**59,620**	49,445	40,692	41,534	36,687
Profit before tax	**12,349**	8,747	6,094	12,751	10,868
Profit for the year	**10,689**	7,492	5,333	12,100	10,475
Profit attributable to owners of the Company	**10,914**	7,700	5,447	12,100	10,513
BREAKDOWN OF NET REVENUE ($'000)					
Recurring net revenue	**48,319**	40,947	34,714	34,647	29,483
Non-recurring net revenue	**11,301**	8,498	5,978	6,887	7,204
Net revenue	**59,620**	49,445	40,692	41,534	36,687
PER SHARE INFORMATION (CENTS)					
Earnings per share	**4.10**	2.92	2.08	4.65	5.06
Dividend per share[2]	**3.15**	3.01	2.79	2.79	5.38
KEY RATIOS					
Profit before tax margin based on net revenue	**20.7%**	17.7%	15.0%	30.7%	29.6%
Return on equity[3]	**13.1%**	9.7%	7.1%	16.4%	38.7%
FINANCIAL PERFORMANCE EXCLUDING CHINA OPERATION ($'000)					
Revenue	**120,497**	100,651	79,893	85,339	78,354
Net revenue	**58,874**	49,014	40,457	41,534	36,687
Profit before tax	**17,169**	13,128	9,821	13,731	11,389
Profit for the year	**15,509**	11,873	9,061	13,080	10,996
Profit attributable to owners of the Company	**15,509**	11,873	9,061	13,080	11,034
BREAKDOWN OF NET REVENUE ($'000)					
Recurring net revenue	**47,961**	40,738	34,538	34,647	29,483
Non-recurring net revenue	**10,913**	8,276	5,919	6,887	7,204
Net revenue	**58,874**	49,014	40,457	41,534	36,687
PER SHARE INFORMATION (CENTS)					
Earnings per share	**5.83**	4.50	3.46	5.03	5.31
KEY RATIOS					
Profit before tax margin based on net revenue	**29.2%**	26.8%	24.3%	33.1%	31.1%
Return on equity[3]	**18.6%**	15.0%	11.8%	17.7%	40.6%

Financial year ended 31 December	2018	2017[4]	2016	2015	2014[1]
BALANCE SHEET ($'000)					
Non-current assets	**30,332**	22,283	14,704	8,477	4,068
Current assets	**127,650**	94,451	80,424	82,803	77,025
Current liabilities	**(71,032)**	(34,273)	(16,032)	(14,482)	(13,863)
Non-current liabilities	**(1,595)**	(1,208)	(500)	(239)	(325)
Net assets	**85,355**	81,253	78,596	76,559	66,905
Shareholders' equity	**85,564**	81,236	78,446	76,559	66,905
Non-controlling interests	**(209)**	17	150	-	-
Total equity	**85,355**	81,253	78,596	76,559	66,905
CASH FLOW ($'000)					
Net cash from operating activities	**17,624**	13,217	5,630	14,178	10,178
Net cash from operating activities (excluding China operation)	**21,617**	16,920	8,787	15,431	10,457
Capital expenditure	**10,727**	7,466	6,615	5,454	2,339
Net cash position[5]	**48,063**	55,911	54,591	61,484	57,412

Notes:
[1] Excluding IPO expenses of $1.95 million in December 2014.
[2] Including interim dividends paid and proposed final dividend for the respective financial year.
[3] Return on equity is calculated based on the average of the month-end shareholders' equity for the respective financial year.
[4] Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose.
[5] Comprising cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans at the end of the respective financial year.

FINANCIAL REVIEW

Financial Highlights (Including China Operation)	FY2018 $'000	FY2017[1] $'000	Change %
Revenue	**121,243**	101,167	19.8
Net revenue	**59,620**	49,445	20.6
Operating expenses	**49,779**	42,189	18.0
Net finance income	**828**	738	12.2
Share of results of associates, net of tax	**517**	(326)	NM
Profit before tax	**12,349**	8,747	41.2
Profit for the year	**10,689**	7,492	42.7
Profit attributable to owners of the Company	**10,914**	7,700	41.7
Earnings per share	**4.10**	2.92	40.4
Dividend per share	**3.15**	3.01	4.7

Financial Highlights (Excluding China Operation)	FY2018 $'000	FY2017[1] $'000	Change %
Revenue	**120,497**	100,651	19.7
Net revenue	**58,874**	49,014	20.1
Operating expenses	**44,119**	37,314	18.2
Net finance income	**788**	720	9.4
Share of results of associates, net of tax	**517**	(326)	NM
Profit before tax	**17,169**	13,128	30.8
Profit for the year	**15,509**	11,873	30.6
Profit attributable to owners of the Company	**15,509**	11,873	30.6
Earnings per share	**5.83**	4.50	29.6

Note:
[1] Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose.
NM denotes not meaningful

2018 Financial Highlights and Review

OPERATING PERFORMANCE

Global markets were turbulent especially in the second half of 2018, given rising US central bank interest rates, weaker Chinese growth and the ongoing trade conflict between the US and China. After registering ninth consecutive quarters of record AUA levels, the Group's AUA declined 5.3% quarter-on-quarter to $8.05 billion as at 31 December 2018 following a sharp sell-down of global financial markets in the fourth quarter of 2018.

However, benefitting from continuing efforts in widening the range of investment products and services and strengthening the Fintech capabilities of its platforms in the various markets in recent years, the Group has enhanced its overall capabilities as an Integrated Wealth Management Fintech Platform. The average AUA of the Group still grew 20.0% year-on-year ("YoY") in the whole year of 2018 and the Group's revenue and profitability also grew healthily in the year.

Also, the sources of the Group's net revenue have broadened in recent times. In 2018, contributions from net interest income arising from clients' AUA and Fintech solutions IT fees have become more important.

Net revenue of the Group increased 20.6% YoY to $59.62 million while net profit of the Group rose 41.7% YoY to $10.91 million in FY2018. Excluding China operation, the Group's net profit was $15.51 million, an increase of 30.6% YoY, reaching a record high in the past five years.

Given that the business model is a cash-led business, the Group's net cash generated from operating activities stood at $17.62 million in FY2018, 33.3% higher than $13.22 million in FY2017. Excluding China operation, the Group's net cash generated from operating activities was $21.62 million in FY2018. Both were the highest record over the past five years.

NET REVENUE

Net revenue represents revenue earned by the Group after commission and fee paid or payable to third party financial advisers. The Group's net revenue of $59.62 million in FY2018 was 20.6% higher than FY2017.

The following table shows the breakdown of the Group's net revenue, by recurring and non-recurring basis.

	FY2018 $'000	FY2017 $'000	Change %
Recurring net revenue	**48,319**	40,947	18.0
Non-recurring net revenue	**11,301**	8,498	33.0
Total net revenue	**59,620**	49,445	20.6

Recurring net revenue is usually calculated based on a percentage of average AUA of investment products distributed on the Group's platforms. It mainly comprises trailer fees, platform fees, wrap fees and net interest income arising from clients' AUA. The YoY increases in recurring net revenue in FY2018 was due mainly to an increase in average AUA for both B2B business division and B2C business division in the year, which benefitted from new inflows of investments from customers in the year. The average AUA of the Group grew 20.0% YoY to $8.11 billion in FY2018.

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 Fintech solutions to business partners. The increases in non-recurring net revenue in the year were due mainly to increases in commission income as a result of increased customers' trading volumes in bonds, ETFs and stocks and Fintech solutions IT fees earned from provision of IT Fintech solutions to some FA firms and institutional clients in the year.

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

	FY2018 $'000	FY2017 $'000	Change %
Singapore	**39,298**	34,765	13.0
Hong Kong	**14,257**	10,781	32.2
Malaysia	**5,319**	3,468	53.4
	58,874	49,014	20.1
China	**746**	431	73.1
Total net revenue	**59,620**	49,445	20.6

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's revenue. The net revenue in Singapore operation grew 13.0% YoY in FY2018, which was mainly contributed by increases in investment trading volumes in ETFs and stocks in the year. Following the improvements and progress made in beefing up its overall capabilities as a Wealth Management Fintech Platform with the introduction of more competitive pricing structure, the platform has been raising more awareness among investors in the market in the year. Recently, Singapore operation received the "Fastest Growing SGX-ST Member 2018" award at the SGX Annual Awards Night 2019. The average AUA of Singapore operation grew 15.0% YoY in FY2018.

Following the launch of multi-products FSMOne.com platform in late 2017, Hong Kong operation launched the US stock trading capabilities on both the FSMOne.com and B2B platforms in middle 2018. The investment trading volume in ETFs increased significantly in the second half of 2018, despite poorer investors' sentiment in equity markets in the period. The rise in bond yields in the market in 2018 contributed to an increase in clients' investment subscription in bonds in the year. In addition, the net interest income arising from clients' AUA increased significantly in FY2018, benefitting from an increase in clients' cash account AUA as well as some improvement in interest rates in the year. The net revenue in Hong Kong operation grew 32.2% YoY in FY2018. The average AUA of Hong Kong operation grew 27.3% YoY in the year.

In Malaysia, although the growth of the unit trust business slowed down slightly due to poor investors' sentiment in equity markets in the year, the business in bonds, which was launched in early 2017, grew significantly in FY2018. In addition, the iFAST Fintech solutions division launched in early 2018 contributed positively to increases in both revenue and net revenue in the year. The net revenue in Malaysia operation grew 53.4% YoY in FY2018. The average AUA of Malaysia operation grew 33.2% YoY in the year.

In China, the combined effects of weak performance in the China equity market, resulting from the ongoing trade conflict between the US and China and a clampdown on lending from the shadow banking sector, led to a deterioration in market sentiment and slowed down the growth of China operation in 2018. The net revenue in China operation grew 73.1% YoY in FY2018. The average AUA of China operation grew 206.4% YoY in the year.

OPERATING EXPENSES

The following table includes the breakdown of the Group's operating expenses by its existing markets.

	FY2018 $'000	FY2017 $'000	Change %
Operating expenses (excluding China operation)	**44,119**	37,314	18.2
Operating expenses in China operation	**5,660**	4,875	16.1
Total operating expenses	**49,779**	42,189	18.0

The Group's total operating expenses increased 18.0% from $42.19 million in FY2017 to $49.78 million in FY2018. Excluding China operation, the Group's operating expenses increased 18.2% from $37.31 million in FY2017 to $44.12 million in FY2018. The operating expenses of China operation increased 16.1% from $4.88 million in FY2017 to $5.66 million in FY2018.

The increases were due mainly to increases in depreciation of plant and equipment and amortisation of intangible assets as a result of additions of plant and equipment and intangible assets (including internally-developed IT software assets) over the year, to support business expansion in the markets that the Group operates in and to continuously strengthen the Fintech capabilities of our investment platforms; increases in staff costs as a result of the annual and semi-annual salary increment adjustments in the year, the increased number of staff over the year, and the increased equity-settled share-based payment transactions resulting from another batches of performance shares granted in 2018; an increase in office rental 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 year.

Overall, increases in operating expenses were in line with the Group's efforts in enhancing its platform capabilities including launches of new products and services in its existing markets (excluding China market) as well as building iFAST brand and business in China market in the year.

2018 Financial Highlights and Review

NET FINANCE INCOME

Net finance income increased by 12.2% from $0.74 million in FY2017 to $0.83 million in FY2018. This was due mainly to higher interest income from bank deposits in the year, partially offset by lower interest income from investment in financial assets arising from redemptions of some bond investments at fair value through other comprehensive income ("FVOCI") over the year and interest expense of $0.17 million on bank loans incurred in FY2018. The bank loans taken up in 2018 were for the financing of the initial capital for the virtual banking business that the Group was pursuing in Hong Kong.

SHARE OF RESULTS OF ASSOCIATES, NET OF TAX

The Group's share of results after tax of associates in FY2018 comprised share of results of associates, namely Providend Holding Pte Ltd ("Providend") and iFAST India Holdings Pte Ltd in the year. 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 AUA of Indian Rupee 26.84 billion (equivalent to $524 million) as at 31 December 2018, growing at a 5-year compound annual growth rate ("CAGR") of approximately 46.3%.

The share of profit after tax of associates amounted to $0.52 million in FY2018, whilst the share of loss after tax of associates amounted to $0.33 million in FY2017. This was due mainly to derecognition of a loss-making associate in June 2017 and the Group's share of a one-off gain in Providend amounting to $0.74 million, which resulted from a sale of Providend's online insurance platform to a joint venture entity between Providend and NTUC Enterprise Co-operative Ltd in October 2018.

PROFIT FOR THE YEAR

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 (excluding China operation) and China market.

	FY2018 $'000	FY2017 $'000	Change %
Singapore	**11,862**	10,621	11.7
Hong Kong	**3,420**	1,766	93.7
Malaysia	**1,370**	1,067	28.4
Other[1]	**517**	(326)	NM
Profit before tax (excluding China operation)	**17,169**	13,128	30.8
Tax expense	**(1,660)**	(1,255)	32.3
Net profit after tax (excluding China operation)	**15,509**	11,873	30.6
China	**(4,595)**	(4,173)	10.1
Net profit after tax (including China operation)	**10,914**	7,700	41.7

Note:
[1] Representing share of results of associates.
NM denotes not meaningful

Overall, excluding China operation, the Group's profit before tax increased by 30.8% from $13.13 million in FY2017 to $17.17 million in FY2018, due mainly to contributions of higher profitability from Singapore, Hong Kong and Malaysia operations in the year.

Tax expense increased by $0.40 million from $1.26 million in FY2017 to $1.66 million in FY2018, due mainly to an increase in taxable income from Singapore operation in the year, partially offset by some deferred tax assets recognised by Hong Kong and Malaysia operations for some unused tax losses at 31 December 2018.

China operation was continuing to build the iFAST brand and business in this new market. Resulting from negative market sentiment in the China market in the year, the loss from China operation increased by 10.1% YoY to $4.60 million in FY2018.

Including China operation and tax expense, the Group's net profit after tax increased by 41.7% from $7.70 million in FY2017 to $10.91 million in FY2018.

FINANCIAL POSITION

The shareholders' equity of the Group increased to $85.56 million as at 31 December 2018 from $81.24 million as at 31 December 2017. This was due mainly to contribution of net profit generated in FY2018, and partially offset by payments of dividends and a decrease in fair value of some financial assets at FVOCI in the year.

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 bank loans) decreased to $48.06 million as at 31 December 2018 from $55.91 million as at 31 December 2017. This was due mainly to settlement of payments of securities investments and intangible assets acquired on 31 December 2017 in the first quarter of 2018, payments of additions of plant and equipment and intangible assets in FY2018 and payments of dividends in the year, partially offset by higher net cash generated from operating activities in FY2018.

Current assets increased to $127.65 million as at 31 December 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 year and increases in uncompleted contracts on securities dealing and cash and cash equivalents at end of the year.

Non-current assets increased to $30.33 million as at 31 December 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), additional investments in existing associates, and an increase in strategic investment of minority stake in an institutional business partner in China in the year.

Total liabilities increased to $72.63 million as at 31 December 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 year and drawdown of bank loans in the second half of 2018, partially offset by a decrease in trade and other payables arising from settlement of payments of securities investments acquired on 31 December 2017 in the first quarter of 2018.

CASH FLOWS

A summary of the Group's cash flows are set out as below.

	FY2018 $'000	FY2017 $'000
Net cash from operating activities	**17,624**	13,217
Net cash (used in)/from investing activities	**(18,956)**	5,175
Net cash from/(used in) financing activities	**29,145**	(6,616)
Net increase in cash and cash equivalents	**27,813**	11,776
Effect of exchange rate fluctuations on cash held	**(10)**	(742)
Cash and cash equivalents at beginning of the year	**33,498**	22,464
Cash and cash equivalents at end of the year	**61,301**	33,498

Net cash from operating activities increased from $13.22 million in FY2017 to $17.62 million in FY2018, due mainly to higher operating profit generated in the year.

Net cash used in investing activities was $18.96 million in FY2018 compared to net cash of $5.18 million from investing activities in FY2017. This was due mainly to higher purchase of securities investments in FY2018 compared to higher redemption of securities investments in FY2017, and higher additions of plant and equipment and intangible assets (including internally-developed IT software assets) in the year.

Net cash from financing activities was $29.14 million in FY2018 compared to net cash of $6.62 million used in financing activities in FY2017. This was due mainly to drawdown of bank loans in the second half of 2018 for the financing of the initial capital for the virtual banking business that the Group was pursuing in Hong Kong.

iFAST Core Value

TRANSPARENCY

We believe in empowering our investor community with the tools to make informed investment decisions

Sustainability Strategy & Overview

BOARD SUSTAINABILITY STATEMENT

iFAST Corp is committed to integrating principles of sustainability into both the business operations of the Company as well as future corporate strategies, to ensure the long-term growth of the Company.

The Board of Directors (the "Board") ascertains, through regular updates provided by the Sustainability Taskforce, the sustainability strategies, material issues, key stakeholders and significant risks and opportunities of the Company, while also keeping in mind the factors associated with sustainability when determining the strategic and business objectives of the Company.

iFAST'S APPROACH TO SUSTAINABILITY

Our sustainability strategy is based on the three values of the Company – Integrity, Innovation and Transparency, and is aligned to our mission statement: "To help investors around the world invest globally and profitably".

iFAST Corp has in place a Sustainability Taskforce which is responsible for looking into sustainability issues within the Company, collaborating with the different departments and business units in ensuring key sustainability principles are taken into consideration for future development and their subsequent implementation.

The taskforce will also provide regular updates to the Board, reporting on the progress of the undertaken sustainability measures and initiatives, while also bringing up foreseeable trends which may affect the sustainability standing of the Company. The Board will also monitor and review the progress of the implemented sustainability initiatives on a regular basis, while providing feedback to the Management of the Company to further enhance and improve the sustainability standing of the Company.

The Company's first ever sustainability report was published together with the Annual Report 2017. The Sustainability Taskforce has laid out the groundwork by surveying the various departments in the Company to identify their key stakeholders, and to determine the material Environmental, Social and Governance ("ESG") issues the various teams faced. The preliminary findings were then compiled and presented to the Board and Senior Management, where the material ESG factors of the Company were eventually finalised.

For Sustainability Report 2018, the taskforce has again surveyed the various departments to update the ESG material issues list, and the reporting scope in 2018 will similarly be focused mainly on the Singapore operations, as the Company is headquartered and founded in Singapore. The Singapore business is also the biggest market for the Company in terms of AUA as of 31 December 2018. The reporting period is from 1 January 2018 to 31 December 2018.

Similar initiatives from the other markets of the Company (Hong Kong, Malaysia and China) may also be mentioned in the report. However, they are not within the reporting scope this year, and the Company may incorporate the other markets into the reporting scope in the coming years.

The sustainability report has been prepared in accordance with the Global Reporting Initiatives ("GRI") Standards guidelines for sustainability reporting, where key and material issues most relevant to the business and the Company will be presented.

Due to the nature of iFAST's business as a wealth management Fintech platform, this report may cover aspects that are not in the GRI reporting scope. On the other hand, there may also be aspects covered by the GRI reporting scope, but are not considered material issues to the business, especially the aspects related to the environment, given that the core business and operations of the Company do not directly impact the environment. In spite of that, the Company will still be looking into the indirect impact of its operations on the environment, with the objectives of reducing the impact footprint.

While measurable targets for FY2018 were not drawn up in the previous report, the Company will start to propose quantifiable targets for certain material ESG factors for the upcoming year in this Report.

Going forward, the Company is committed to further strengthening and improving our sustainability initiatives as well as our engagement with the various stakeholders.

Sustainability Strategy & Overview

SUSTAINABILITY FOCUS AND POSITIONING

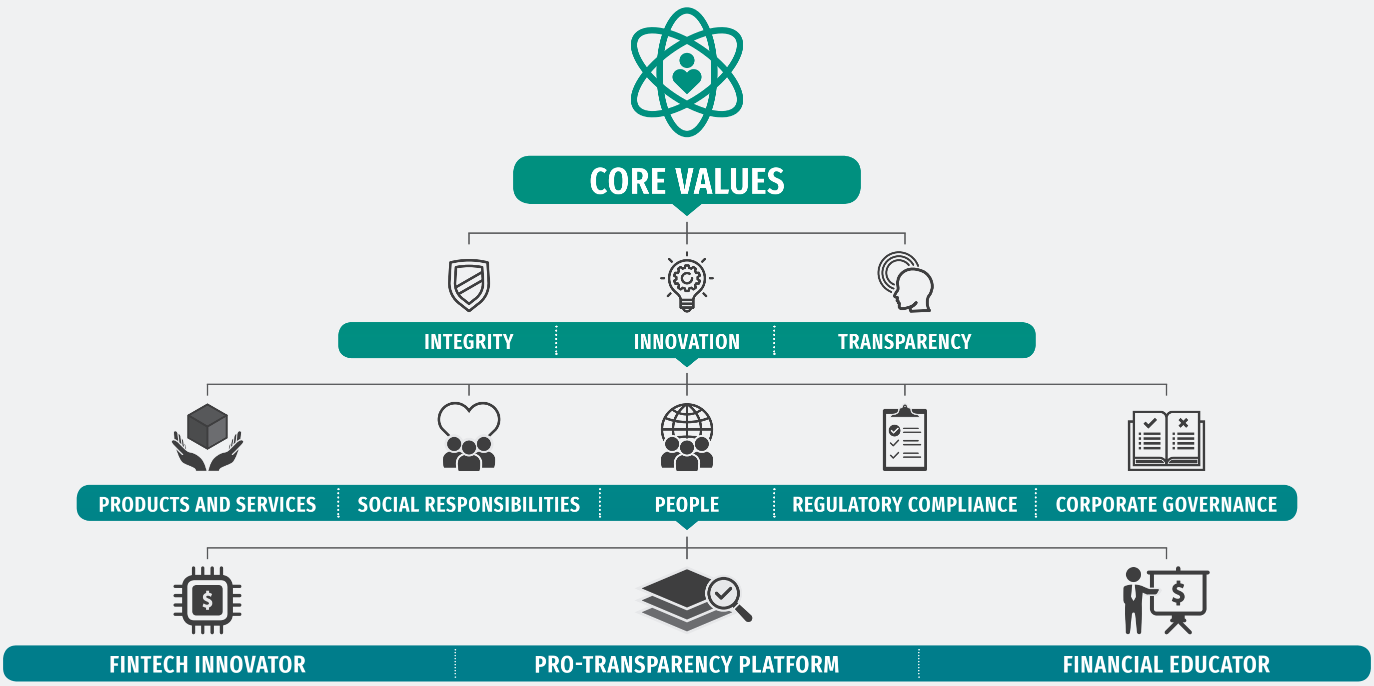
For FY2018, while reviewing the key stakeholders and ESG material issues established in the previous sustainability reporting exercise, the Company has re-evaluated the scope of the various issues, and has decided to continue to focus on the following aspects: People, Products and Services, Corporate Governance, Regulatory Compliance and Social Responsibilities. Having a clear recognition on the areas that affect the sustainability standing of the Company will help us develop and formulate relevant measures to ensure the continuous growth of the business.

As elaborated in the last few issues of our Annual Reports before the inaugural Sustainability Report, the Company has already undertaken various measures to ensure the long-term sustainable growth of the Company, and has positioned itself as a Financial Educator, Fintech Innovator, as well as a Pro-Transparency Platform. Promoting financial literacy has been one of the key focus areas of the Company since the early days of our operations, and various initiatives have been adopted to achieve our goal of empowering investors with readily accessible research content and transparent information on our platforms to help them make informed investment decisions, which will in turn help the Company to achieve sustainable business growth.

The Company believes our in-house IT capabilities and innovations are crucial in helping us improve and enhance our platforms and services. Various initiatives have also been taken to ensure that the technologies adopted remain current and well-equipped for future sustainable growth, and our focus will be on improving ease of navigation, as well as enhancing the user experience and interface for both our B2C and B2B clients, including providing Fintech solutions and support to our B2B partners.

Apart from providing relevant financial and products knowledge, transparency in information is another important aspect that we believe will further empower investors and individuals to make informed investment decisions. We believe a transparent fees and commissions structure for investors can help to build investors' confidence in the wealth management industry. A strong belief in the importance of transparency has led to the Company's firm stand in providing a transparent fee and product structure to our customers and to benefit the investor community.

iFAST Corp has been adopting the above positioning and values since the early days of our operations and until this very day, our pricing transparency, independent research, technological innovation and robust IT systems have laid a strong and sustainable foundation for the Company's development and progress.



Stakeholders @iFAST

STAKEHOLDERS ENGAGEMENT

iFAST Corp engages our stakeholders through different channels to establish, address and monitor the material ESG factors of the Company's operation has on our various stakeholders.

The Company engages stakeholders with the various channels that are already in place, to better understand our stakeholders' concerns, and address any issues that they may face.

Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Company is also committed to enhancing and improving the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company, and eventually devise corresponding measures to resolve the new ESG issues.

The Company will compile feedback provided by stakeholders during the various engagement activities, which will offer some guidance to the Management team when they evaluate current and future business plans, strategies and directions relating to the various ESG issues.

The Company has identified seven key stakeholder groups after assessing the degree of ESG impact. The engagement channels as well as the steps taken to address their concerns are presented in the table on the next page.

Stakeholders @iFAST

STAKEHOLDER [Internal/ External/ Direct/ Indirect]	ENGAGEMENT CHANNELS	CONCERNS AND ISSUES OF STAKEHOLDERS & SUMMARY OF INITIATIVES TO ADDRESS THEM	OBJECTIVES OF CORRESPONDING ESG INITIATIVES
Employees **[Direct & Internal]**	• **Channels for providing feedback and grievances** • **Regular email updates / e-newsletters** • **Intranet** • **Meetings and seminars (training and development sessions)**	• Fair employment, employee benefits, and remuneration • Opportunities for career advancement and development	• To retain talent within the Company
		• Health-related initiatives: ◦ Sports allowances to encourage healthy lifestyle ◦ Medical and dental partnerships ◦ Staff-initiated sporting activities (e.g. stairs climbing, running sessions, step classes etc.) ◦ Incorporating charity and sports (e.g. practice sessions for charity sporting events)	• To promote a healthy lifestyle for the benefit of our employees and to inculcate a positive attitude
		• Investment-related assistance: ◦ iFAST Academy: Investment presentations for employees to help them invest globally and profitably ◦ Transactional rebates on products such as stocks/ bonds/ETFs/insurance ◦ Employee Investment Scheme	• To help employees kick start their own investments
		• Better understanding of the Company's progress, culture and values ◦ Orientation corporate presentations ◦ Bi-monthly e-newsletters (iFAST Vibes) ◦ Corporate update sessions for employees to get informed on the listed company's results, key business developments and CSR-related activities across the Group	• To allow better understanding of the Company • To align new employees to the values of the Company, and to help them adjust to the working life in iFAST • To communicate new developments of the Company to our employees
Customers (B2C DIY Investors / B2B Financial Advisers, Financial Institutions etc.) **[Direct & External]**	• **Website and mobile applications** • **Regular communications through emails, phone calls or live chat** • **Events** • **Surveys to receive feedback** • **Financial educational seminars**	• Sufficient information and tools to make informed investment decisions, and to better understand products and markets ◦ Financial education efforts include: - Regularly published research articles touching on market outlook and products; - Regular Monday morning meetings for in-house staff; - Other investment related seminars and training sessions for advisers. ◦ Development of new tools on websites and mobile applications	• To provide investors with timely information, necessary research and tools to help with their decision making and reach their investment goals
		• Prompt service and customer assistance ◦ Various channels available to receive assistance from the customer service team • Proper, customised, and independent advisory services ◦ Transparent platform with prices clearly stated	• To provide relevant, suitable and independent investment solutions (without commission biasness)

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STAKEHOLDER (Internal/ External/ Direct/ Indirect)	ENGAGEMENT CHANNELS	CONCERNS AND ISSUES OF STAKEHOLDERS & SUMMARY OF INITIATIVES TO ADDRESS THEM	OBJECTIVES OF CORRESPONDING ESG INITIATIVES
		• **Seamless and secure online transaction** ∘ Security measures for account access ∘ Protection of personal data and information ∘ User-friendly interface	• To provide the infrastructure and user-friendly platform to trade and transact safely and securely
Regulators **[Direct & External]**	• **Regular communications and discussions**	• **Regulations are complied with to ensure that stakeholders' interests are protected** ∘ Ongoing checks on work processes ∘ Proper work flow, policies and procedures are followed	• To comply with the guidelines stipulated by the regulators as well as the applicable laws • To have policies and clear processes in place to ensure compliance
Product Providers (Fund Houses / Banks / Insurance Companies / Other Vendors) **[Direct & External]**	• **Regular communications** • **Periodic due diligence surveys**	• **Proper and fair selection procedures. Execution of obligations in agreements and contracts are duly carried out** ∘ Ongoing checks and evaluations ∘ Unbiased and regular assessment on product providers and their products	• To strike a good balance between the interests of product providers and customers and to safeguard investors' interest • To reconsider the use of vendors if their actions are not aligned to the Company's values
Media **[Indirect & External]**	• **Spontaneous communications** • **Sending of media releases** • **Invitation to events**	• **Independent and useful comments or insights on market events or movements** ∘ Provide views on the various markets, products covered by the company	• To leverage on the expertise of the in-house research team to provide research views to the investor community through the media
		• **Receive timely and accurate information regarding the Company** ∘ React to media queries in a timely manner ∘ Timely dissemination of the Company's news/ updates	• To ensure relevant information of the Company are properly disseminated to allow the public to understand the Company • To clarify any questions the media may have pertaining to events related to the Company

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Stakeholders @iFAST

STAKEHOLDER (Internal/ External/ Direct/ Indirect)	ENGAGEMENT CHANNELS	CONCERNS AND ISSUES OF STAKEHOLDERS & SUMMARY OF INITIATIVES TO ADDRESS THEM	OBJECTIVES OF CORRESPONDING ESG INITIATIVES

Shareholders / Investors / Analysts
 	
[Indirect & External]
	• **Timely announcements filed with SGX**
	• **Investor Relations website (regular and relevant updates)**
	• **Results briefings for investors and analysts**
	• **Annual General Meetings**
	• **Email/Electronic communications**
	• **Investor roadshows**
	• **Social media**
		• **Stay updated on the Company's financial results and business performance**
		  ◦ Regular updates and post-results announcements
		  ◦ Unbiased and regular assessment on product providers and their products
		• **Access to the Company's Investor Relations team or the Management to have their queries answered**
		  ◦ Attending non-deal roadshows, retail seminars, institutional seminars
		  ◦ Webcast recordings on the IR website (results briefing conducted by the Management)
		• **Be aware of the investment professionals' view on the results and the performance of the Company**
		  ◦ Disclose coverage by both brokers and non-brokers e.g. media, financial education portals
			• To ensure timely disclosure of any substantial news and development which may affect share prices
			• To ensure proper filing of the financial results and to keep the interested parties informed
			• To ensure investors can connect to us easily via our corporate website, e.g. emailing to us, calling us, subscribing to our announcements etc.
			• To provide sufficient commentary on the Company's performance and future plans

NGOs / CSR Partners / Communities
 	
[Indirect & External]
	• **Spontaneous communications**	• **Receive monetary, organisational and/or other forms of support for their organisation/ programmes**
		  ◦ The Company's participation in CSR/charity related events, e.g. iWALK events, Student Care Services events, Metro Race
		  ◦ Enable customers and partners to be able to give back to the society (reward points donation scheme, iWALK initiatives)
			• To give back to society in ways aligned to the Company's values and mission statement
			• To assist our customers in giving back to society with their investment gains

		• **Promoting financial literacy**
		  ◦ Hold events or send speakers to events targeted at the general public and investment community (e.g. seminars, investment expos and etc.)
		  ◦ Providing research articles on the website
		  ◦ Answering media journalists' queries related to markets and financial planning and etc.
			• To leverage on the expertise of the in-house research team to provide research views to the investors community

ESG Risks & Opportunities

iFAST Corp's Board and Senior Management remain aware of the possible risks (both ESG and non-ESG related) that may adversely affect the Company's business operations, and have set in place various measures to monitor and manage both identified and upcoming risks.

The Company acknowledges the importance of having a proper and sound risk management framework, especially since the Company operates in a highly regulated and competitive industry. Effective risk identification and management will enable the Company to successfully navigate challenging business environments, and be able to take precautionary measures when devising business strategies and action plans. This may further aid the Company in enhancing its competitiveness, and embracing new business opportunities that may arise as a result.

Apart from risks, the Company has also been keeping abreast of the opportunities that may be related to ESG trends and issues that are already identified.

RISK MANAGEMENT STRUCTURE

Within the Board of Directors, the Board Risk Committee is responsible for maintaining an effective system of risk management and internal controls to safeguard shareholders' interests and the Company's assets.

Other than that, the Company has set up a Management Risk Committee ("MRC") to facilitate the identification, assessment, mitigation and monitoring of risks relating to the Company's businesses. In FY2018, the MRC is chaired by our Group COO Mr Wong Soon Shyan, who also assumes the Chief Risk Officer ("CRO") role. To enhance the risk management framework, the Company has recently been in the process of finalising the engagement of a new CRO. Further details of these two committees are covered in the Corporate Governance Report of this Annual Report.

The Company will evaluate the degree and extent of impact for each risk factor identified, and to determine if the ESG standing of the Company will be at stake. Furthermore, the Company will assess the probability of materialisation for each identified risk, and devise corresponding plans and risk strategies to resolve or mitigate the impact brought about by each risk.

RISKS & OPPORTUNITIES

Based on the Company's assessment of the prevailing and emerging trends brought about by changes in relation to the socio-economic, environmental and governance aspects, we have identified the following risks and their impact, and will briefly describe the various initiatives and policies that are already in place to manage the risks.

Other than that, we have also identified significant ESG opportunities which the Company could possibly leverage upon to improve our sustainability standing: ***Next page >>>***

ESG Risks & Opportunities

REGULATION

RISKS

REGULATORY RISKS

- Non-compliance of regulations may lead to penalties (monetary or otherwise), negatively affecting the Company's reputation, customers' trust, financial standing, and even the business continuity of the Company
- Changes in regulations may impact product and service providers, and in turn disrupt the products and services offered by the Company

MANAGEMENT

REGULATORY MANAGEMENT

- Regular compliance checks and audits; proper supervision and stringent approval processes to flag up non-compliance incidents
- Set in place proper work processes and documentation requirements
- Regular and ad-hoc training sessions for work processes
- Provide high level of disclosure and transparency for aspects such as fee structure, product features, investment advisory, company and financial disclosure, and etc.
- Ensure timely response to regulatory issues
- Identify possible areas of conflict of interests and subject them to stricter regulatory checks

OPPORTUNITIES

REGULATORY OPPORTUNITIES

- When regulators enforce a higher level of transparency for industry players, our pro- transparency platforms will stand to benefit
- Enhanced regulations for investment products may provide greater confidence for investors, and in turn benefit the Company

GOVERNANCE

TECHNOLOGY

RISKS

TECHNOLOGICAL RISKS

- Breaches in IT system and cybersecurity issues may bring about impact and/or economic loss to our stakeholders
- Lagging behind in terms of technological developments and unable to keep up with the latest technological advances
- Procedural lapses or oversight in operational processes resulting in transactional or other errors

MANAGEMENT

TECHNOLOGICAL MANAGEMENT

- Effective monitoring and assessment processes for cybersecurity and other IT related work processes
- Effective service recovery and rectification processes
- Regular checks on IT infrastructure
- Regular IT security training for employees
- Cybersecurity and data security measures to protect customers' accounts and assets
- Keep abreast of the latest IT developments and trends which may disrupt business operations, or can be leveraged on to improve our platform capabilities

OPPORTUNITIES

TECHNOLOGICAL OPPORTUNITIES

- Rapid development of Fintech and consumers' awareness of its benefits may lead to higher interest in the Company's Fintech solutions and online platforms
- Advanced technological developments may be adopted to further enhance our platform capabilities to create more value to our customers

SOCIAL/ECONOMIC

ECONOMIC/MARKET

ECONOMIC/MARKET RISKS

- Unfavourable economic conditions and market movements may directly impact the Company's financial performance and its ability to continue with current sustainability initiatives
- Adverse economic or market events that may affect business operations of partners, counterparties and product providers, or dampen investors' sentiments and risk appetite

ECONOMIC/MARKET MANAGEMENT

- Diversification of product and service offerings to prevent over-reliance on a particular product/service
- Provide research content and advisory services to assist investors
- Ensure processes are in place to safeguard customers' interests in adverse market conditions impacting partners, counterparties and product providers
- Proper approval processes and due diligence for products

ECONOMIC/MARKET OPPORTUNITIES

- Favourable economic conditions may lead to better performing products which will benefit stakeholders
- A well-developed financial industry may bring about higher financial literacy, while better awareness of financial planning and products may lead to higher interest in the investment products on the Company's platforms

SOCIAL/ECONOMIC

OTHERS

HUMAN RESOURCE RISKS

- Failure in talent acquisition and retention as well as succession planning may lead to lapses in business operations and the execution of business strategies
- Any cases of fraudulent, illegal, corrupt business practices involving employees representing the Company, product providers or any other business or non-business partners may lead to reputation loss and lower customers' confidence

HUMAN RESOURCE MANAGEMENT

- Schemes and programmes to duly reward, motivate and retain high performing employees
- Regular reviews and screenings to detect risk-taking activities
- Proper training and documentation of work processes to ensure smooth handover of duties
- Proper whistle-blowing procedures to flag up suspicious activities or incidents
- Constant reminders in communications to employees to highlight the importance of integrity, ethics and fair dealing

HUMAN RESOURCE OPPORTUNITIES

- Workplace diversity may bring about a wider variety of experiences, perspectives and unique propositions to further grow the Company

SUSTAINABILITY OPPORTUNITIES

- With greater awareness of sustainable investing, investors may be more interested in sustainability-focused products or companies

SOCIAL

ESG Materiality Assessment

ESTABLISHING MATERIAL ESG ISSUES

iFAST Corp has set up a Sustainability Taskforce to be responsible for establishing the sustainability reporting framework and to facilitate the reporting process. The taskforce consists of members from the Corporate Communications department, with the Company's COO (cum CRO) and CFO from the Senior Management team providing the necessary guidance. Representatives from the various departments of the Company will also be involved at different stages during the sustainability reporting exercise.

The taskforce works with the Company's stakeholders through various engagement channels, and gathers their feedback, expectations, and concerns, before considering or compiling the relevant data for tracking. Subsequently, the significance and the extent of the ESG impacts were reviewed, to determine if the prevailing sustainability related initiatives are sufficient, or if more actions are necessary. The material ESG factors will also be presented to the Senior Management and the Board for validation, where relevant advice and guidance to improve current practices may be brought up.

The Sustainability Taskforce intends to review the material topics on a regular basis. Important aspects, such as current and/or emerging trends that may affect the Company's sustainability standing, stakeholders' feedback, observations from relevant supporting data, and/or future business strategies will be considered, before deciding if the list of material ESG factors to focus on should be revised.

In the Company's first ever Sustainability Report published for FY2017, the Sustainability Taskforce focused on our Singapore operations, surveying various departments to identify their main stakeholders, as well as to identify their ESG material issues, before conducting follow-up discussions to better understand current policies in place to manage the issues. This is followed by a further evaluation of the various ESG issues brought up by the various departments to assess their materiality and the level of impact. The findings were then reviewed by members from the Senior Management team and presented to the Board of Directors, to establish the ESG material issues to be focused for the reporting period.

For the current report, the taskforce repeated the departmental survey to update the various materiality issues, and to determine if the ESG material issues previously identified were addressed, and to ascertain if quantifiable data could be obtained.

As quantifiable targets were not set out in the previous Sustainability Report, qualitative targets for each group of materials issues identified in FY2018 are covered in this report. The Company continues to work on compiling and analysing the data collected thus far and will propose quantifiable and qualitative targets for future reporting periods.

MATERIALITY MATRIX

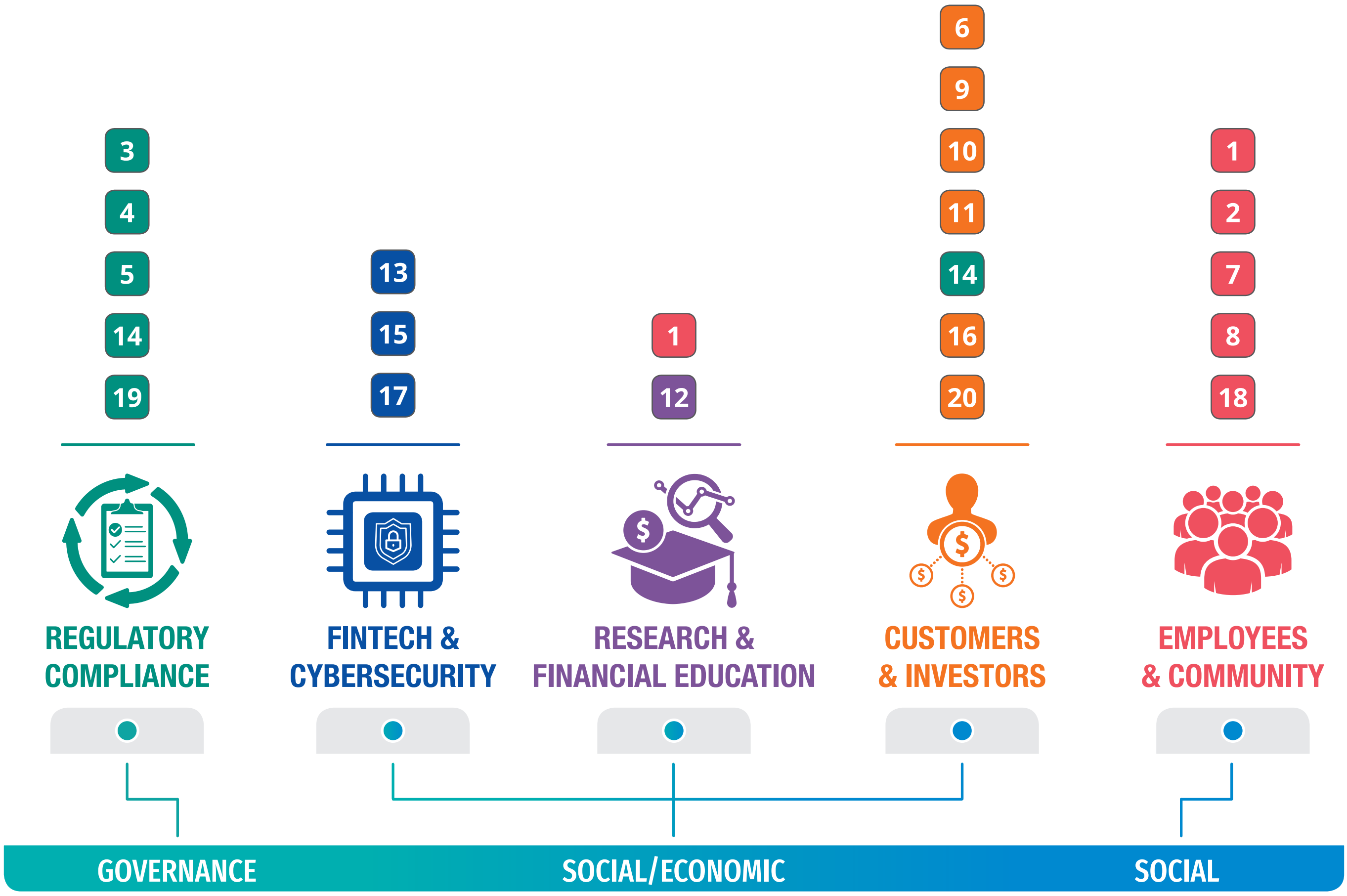
The following Materiality Matrix shows the degree of impact of the ESG material issues on the Company's business, as compared to the level of importance to their respective stakeholders.

MATERIAL ESG ISSUES		STAKEHOLDER(S)
Community Engagement	1	Community
Environmental Impact	2	Community
Regulatory Compliance & Corporate Governance	3	Regulators
Financial Disclosure and Adherence to Listing Rules	4	Regulators
Ethics and Fair Dealing	5	Regulators, Customers
Communications to Clients & Shareholders	6	Media, Shareholders / Investors / Analysts, Customers
Internal Communications	7	Employees
Employment Wellbeing & Fair Employment Practice	8	Employees
Customer Service	9	Customers
Products Due Diligence	10	Regulators, Customers, Product Providers
Responsible & Transparent Product Marketing	11	Regulators, Customers
Content Accuracy & Timeliness	12	Customers, Community
Fintech Innovation & Development	13	Customers, Community, Employees
Customer Due Diligence	14	Regulators, Customers
IT Services & Maintenance	15	Customers, Product Providers
Effective Backend Operations	16	Customers, Product Providers
Cybersecurity	17	Regulators, Customers
Employee Training & Product Competency	18	Employees, Customers
Data Privacy	19	Customers, Product Providers
Investment Advisory	20	Regulators, Customers

Community Regulators Media Employees Product Providers Customers Shareholders / Investors / Analysts

ESG Materiality Assessment

The report is structured based on the grouping of the above material ESG issues into the following five main themes and their corresponding ESG framework:



The inclusion of Economic into the Social framework is due to the fact that the Company's core business as an investment products distribution platform is reliant on macro-economic conditions. As the Company is operating within the finance industry, there may be some contribution and correlation to the overall economy, though on a lesser extent as compared to the bigger financial institutions. Customers of the Company, including both DIY investors and investors serviced by our B2B Financial Advisory and Financial Institutions, are individuals who will be financially affected under adverse economic conditions or if sudden market events take place, as part of their wealth or savings are in the form of financial products investment held with the Company.

Due to the aforementioned business nature of the Company, aspects related to the Environment within the scope of the standard ESG sustainability issues do not rank highly in terms of materiality to the Company, as the core business and operations of the Company do not directly impact the environment. In spite of that, the Company acknowledges that the day-to-day operations of the Company may still indirectly impact the environment in some ways or another, and hence the Company will be keeping an eye on our environmental impact footprint, and hopes to eventually establish initiatives to reduce the impact footprint. The GRI Standards disclosures that correspond to each materiality topic have been established in Pg. 66-67.

Gallery@iFAST:

❶ FSM INVEST Expo 2018: The Grand Lucky Draw winner walked home with $1,000 worth of FSMOne Multi-Currency Cash Account credits.
❷ FSM INVEST Expo 2018: Attendees interacting with our teams of dedicated investment advisers and product specialists.
❸ FSM INVEST Expo 2018: A series of seminar sessions by distinguished industry experts were lined up for our attendees.
❹ iFAST Corp's Annual General Meeting 2018 was held at Carlton Hotel on 18 April 2018.
❺ Our Chairman and CEO, Mr Lim Chung Chun, presented on the topic "Scaling up to be a Key Fintech Player" at iFAST Corp's Pre-AGM Business Update.

Gallery@iFAST:

❶ - ❷ iFAST Corp was awarded "Best Investor Relations - Silver Award" (less than S$300 million market cap) at the Singapore Corporate Awards 2018.
❸ FSMOne.com (Hong Kong) invited industry experts to share their investment outlook for 2018 at its annual "What and Where to Invest 2018" event.
❹ FSMOne.com (Malaysia) held its annual "What and Where to Invest 2018" event in Kuala Lumpur and Penang in January 2018.
❺ SGX's My First Stock Carnival 2018: Our Senior Securities Dealer took the stage to share about how investors can navigate stock investing with FSMOne.com.
❻ iFAST Awards Night 2018: A night of appreciation for our top FA partners.

❶ FSMOne.com (Singapore) participated in the "Singapore Book Fair 2018" orgainsed by Lianhe Zaobao in May 2018.
❷ Singapore Book Fair 2018: Our Senior Analyst from the Stock & ETFs Research team spoke about how investors can build a source of passive income with dividend stocks.
❸ iWALK Korea 2018: Team AI (made up of two B2B advisers from Singapore and two iFAST Hong Kong staff) came in fourth, clocking 19 hours 58 minutes.
❹ iWALK Korea 2018: Team "Follow the Leader" consisting of our COO, CEO and fellow colleagues from the Operations and ITP team (left to right).
❺ iWALK Korea 2018: Our contingent of 68 iWALKers all ready to take on the 100km challenge.

Gallery@iFAST:

❶ TransLantau 50km race: The beneficiary of our sports sponsorship programme participated in the race in March 2018.
❷ Our Senior Fixed Income Analyst shared about how investors can embrace market volatility with bonds at the Investment Seminar organised by Lianhe Zaobao in conjunction with the launch of their second investment guide - 《自学成财 2》.
❸ FSMOne.com (Malaysia) held its annual "Recommended Unit Trusts Awards 2018/19" in July 2018.
❹ iFAST Hong Kong conducted a seminar on US ETFs to educate investors on how they can broaden their choices for portfolio construction.
❺ FSMOne.com (Hong Kong) organised the "Asia Investment Opportunities Seminar" in July 2018, where industry experts were invited to share their investment strategies and tips on capturing investment opportunities in the Asian market.

ESG@iFAST: Fintech & Cybersecurity

Technology and innovation empower iFAST Corp to continuously create better solutions and services to benefit our stakeholders. iFAST Corp also understands the importance of cybersecurity, and is committed to maintaining the security of our online platforms, in order to protect and safeguard the interests of our stakeholders.

FINTECH

EMBRACING FINTECH SINCE YEAR 2000

As an early advocate of "Fintech" more than a decade before the term was introduced, iFAST Corp has come a long way since breaking into the online funds distribution scene as a "Fintech" player. From the early days of our operation, our Management team has emphasised the development of our own IT solutions to drive our business goals. This focus on building our own Fintech capabilities continues to empower us to deliver innovative solutions to our clients. For more details on the Fintech Footprint, please refer to Page 19 of the Annual Report.

Alongside our endeavours to develop the business in terms of the range and depth of our products and services, various initiatives were also taken to ensure that the technologies adopted within the Company remain current and well-equipped for future sustainable growth, including improving ease of navigation, as well as enhancing the user experience and interface for both our B2C and B2B clients. This allowed us to remain competitive in a fast-changing industry.

FSMOne.com was launched in Singapore back in December 2016. It is an enhanced version of the Fundsupermart.com platform designed specifically to enable seamless transactions across different products. FSMOne.com was subsequently launched in Hong Kong and Malaysia in 2017 and late 2018 respectively. This shows our continued efforts in bringing Fintech advancement to the other regions we operate in, as we strive to enhance our customers' investment experience through technology.

FURTHER GROWING STOCKS, ETFS AND BONDS IN OUR FINTECH SOLUTIONS

While the newer products were brought on board our platforms in the recent years, including stockbroking capabilities which were first introduced on our Hong Kong B2B platform in 2016, both our B2B and B2C customers in both Singapore and Hong Kong are now able to trade stocks and ETFs listed on the Singapore, Hong Kong and US stock exchanges as at 31 December 2018.

After the admission of iFAST Singapore as a SGX member, trading capabilities for SGX-listed stocks and ETFs were launched on FSMOne.com in Singapore in June 2017, enabling retail investors to trade stocks at a competitive price. The commission rates for SGX stocks and ETFs were further reduced to 0.08% (minimum of S$10 per trade) in 2018, lowering the transactional costs incurred by retail investors in Singapore when investing in SGX-listed stocks and ETFs.

Since end 2017 and throughout 2018, we have launched trading capabilities in US-listed securities, including stocks and ETFs for both our B2B and B2C customers in Singapore and Hong Kong. This addition brings the total number of ETFs being offered on iFAST platforms to over 2,200. Similar to the competitive pricing structure offered for stocks and ETFs listed on SGX and HKEX, investors in Singapore are able to invest in US-listed stocks and ETFs at a commission rate of 0.08%, subject to a minimum of US$8.80 per trade.

The introduction of stocks and ETFs listed on HKEX, SGX and US exchanges broadens the range of products and services being offered, which has hitherto included over 5,900 funds, over 1000 bonds, over 10 managed portfolios, and insurance products.

With the launch of multi-products FSMOne.com in Singapore, Hong Kong and Malaysia, the investment products and services available in each market can now be transacted with just one FSMOne.com account, bringing a more holistic wealth management solution at the convenience of our B2C customers. Similarly, the various products and services also provide mini-private bank capabilities to our B2B partners and their respective customers.

The Company also has intentions to further expand the range of stock exchanges available to our customers going forward.

ITP: ENCOURAGING INNOVATION; RETAINING IT TALENTS

Innovation has always been a core focus for us. As technology changes all the time, to remain relevant, we have built our IT capabilities in-house since the start of the Company's operations. This has allowed the Company to be able to push out innovative IT solutions quickly, without having to engage costly third-party vendors.

To ensure our IT developers are properly incentivised to innovate and enhance the current systems in place, the Company has already established the iFAST IT Partnership ("ITP") structure since 2015.

The ITP structure is a unique structure for our IT teams, somewhat similar in spirit to the partnership structure traditionally found in some audit and law firms, but with some customisations and enhancements to suit our objectives.

The objective of the ITP is to provide an environment that gives greater freedom and independence to our ITPs to drive projects, very much akin to running their own business, while being given the incentives, support and environment to innovate. With greater incentives, we hope that our ITPs can drive our growth to newer and greater heights, all for the benefit of our clients and our employees.

In FY2018, the number of ITP teams increased to 12 across the Group, representing a 30.5% increase in headcount as compared to FY2017. Inclusive of the other IT-related teams in charge of IT Infrastructure and Applications, the percentage of total work force involved in IT increased from 25.4% in FY2017 to 28% in FY2018, an indication of the high level of commitment the Company has for maintaining our competitive edge in terms of technological innovation.

ESG@iFAST: Fintech & Cybersecurity

DISRUPTING WITH TECHNOLOGY & TRANSPARENCY

iFAST Corp has always used one weapon to bring about disruption for the benefit of the investor community: Transparency. We strongly believe that transparency in information empowers the investor community, and our in-house proprietary technology capabilities also allow us to build platforms offering competitive and transparent pricing structure, as well as easily accessible research and innovative IT tools on our website, making investing simpler for both our B2B and B2C customers. Examples include our Chart Centre and Selector tools for Funds/Bonds, which simplify the search on the myriad of products available on our platform, and providing ways to compare the performance of the products against market indices.

iFAST Corp disrupted the bonds distribution scene with the introduction of Bondsupermart, a regional bond information portal, and our bonds trading capabilities on our B2B and B2C platforms. On our Singapore B2C FSMOne.com platform, other than performing bond transactions, retail investors are also able to visit our online portals and mobile application to view key data and information, such as pricing and yield details (e.g. yield-to-maturity, spreads, and ask/bid prices), duration, credit rating and key features of the different types of bonds on board the platform. Such information was previously only accessible via offline banking channels.

CYBERSECURITY

iFAST Corp takes a holistic and proactive approach towards cybersecurity, and is committed to a culture of security to protect the interests of our customers, employees, partners and the Company. We understand the importance of adopting and integrating the cybersecurity best practices that have been developed by organisations such as the International Standardisation Organisation ("ISO") and the National Institute of Standards and Technology ("NIST").

The Company has invested time and resources as well as creative talent to combat the ever-evolving, increasingly sophisticated cyber threat landscape. The Company continues to work closely with our security partners to evaluate and bring onboard new security technologies to harden our security and cyber defenses.

The Company takes a proactive stand when it comes to the provision of technological risk ("tech risk") training, and regularly sends members from our security and tech risk team for security conferences and training courses. iFAST Corp's security team members have attained globally recognised security certifications and are required to meet 40 hours of continuing professional education annually.

TECH RISK DEPARTMENT – OUR CYBERSECURITY GUARDIAN

The Company is highly aware of the fact that our operations are highly dependent on IT, and any related failure or a security compromise could seriously and adversely affect the Company.

Hence, the Company has a dedicated Tech Risk department, responsible to coordinate the development and maintain the information security policies and standards. The department will also be in charge of investigating any security incidents and coordinate their resolutions.

In FY2018, the Company has increased the headcount for the team, a testament to the Company's dedication towards enhancing cybersecurity within the platforms of the Company.

The Tech Risk department is also in charge of conducting risk analysis based on the potential threats, risks and vulnerabilities. The department provides recommendations to address such risks, including implementation of appropriate controls.

The Tech Risk department also monitors trends to identify new and credible cyber threats that exist within the Company's operations or individuals due to the use of the IT systems supporting those operations or individuals. This will be based on law enforcement information, intelligence information, or other credible sources of information.

The Tech Risk department reports to the MRC on a regular basis.

PREVENTION IS BETTER THAN RECOVERY

The Tech Risk department also implements the information security awareness program, which includes conducting IT Security Policies briefing to employees of the Company on an annual basis.

During FY2018, iFAST undertook various initiatives to strengthen our cyber defenses, readiness and response, which include but not limited to vulnerability assessment, penetration testing, email phishing simulation exercises, security induction for new employees and disaster recovery exercises affecting our computing systems.

For our training sessions, topics such as security for computer use, email and Internet security, network security are touched upon, where the trainers also shared examples of good computing practices with employees, and how to remain vigilant to avoid social engineering, phishing attacks and cyber extortion.

Cybersecurity induction sessions were also conducted for new staff, to ensure that they are equipped with sufficient knowledge to help prevent any incidents that could compromise the Company's cybersecurity standing.

The Company has set an internal target to provide all new employees with the relevant cybersecurity training (i.e. 100% new employees), and ongoing training will also be provided to existing employees (i.e. 100% existing employees).

ONLINE SECURITY FOR CUSTOMERS

To protect customers' online transactions, all transactions done via iFAST Corp's platforms are processed with strict security using the Secure Sockets Layer (SSL) protocol, which is the security standard used by the world's top financial institutions.

SECURE LOGIN – FROM ONEKEY TO SMS TO BIOMETRICS

iFAST Corp is committed to dedicating ongoing efforts to safeguard investor data and improve the security features of our websites across the various platforms, and has already begun introducing a second layer of identity verification upon login back in the year 2015. Two-factor Authentication ("2FA"), an important feature to prevent interception and modification of online transactions, was adopted by the Company, to ensure that only authorised users of our B2B and B2C platforms can access their investment accounts and place any transactions. Other than account login, updating of personal particulars, including email and contact numbers, will require further 2FA authentication.

In 2017, biometric 2FA was implemented utilising fingerprint as a form of secure login via a trusted device. Biometric 2FA is more difficult to compromise and more convenient to use when compared to the SMS One-Time-Password ("OTP").

Launched first on FSMOne.com in Singapore, the biometric 2FA security feature allows for a private, fast and easy login process, enabling customers to skip the manual process of keying in verification codes (e.g. SMS OTP or OneKey OTP) and reduce waiting time. For devices with biometrics feature, the authentication process could be done by using the fingerprint already registered on the trusted device.

Since the implementation of Biometric 2FA secure login, the adoption rate has seen a steady increase, and is now the second most frequently used secure login method after SMS OTP. The Company targets to encourage more customers to adopt the new secure login measures, and looks to achieve a healthy adoption rates for biometrics secure login going forward.

INTERNAL ACCESS CONTROL AND IT SECURITY POLICIES

Stringent internal access control has also been set in place, where individuals in the capacity to carry out their assigned duties are granted access to specific information, and rounds of authorisation and access control process will be undertaken, to ensure that data access is only based on a need-to-know basis, and to protect the system from unauthorised access.

The Tech Risk department reviews internal access control on a regular basis, and provides assistance to the various departments to assess their data sensitivity and advise them of available controls, and provides consulting services for information security throughout the Company.

The Company has previously set an internal target to review authorised access on an annual basis, and will continue to do so going forward.

The Company has also set out IT security policies to help detect any unauthorised information processing activities, and the systems in use are also monitored and information security events will be recorded to facilitate prompt detection of unauthorised or malicious activities by internal and external parties.

The Tech Risk department uses various monitoring tools to perform checks on the various devices and systems in the Company, where immediate investigations will be taken when suspicious or malicious threats are identified and reported by the monitoring tools.

In FY2018, there were no major incidents of cybersecurity breach reported to the authorities. The Company will continue to strengthen our cybersecurity system to protect our customers from cybersecurity risks and threats.

ESG@iFAST: Research & Financial Education

Providing research and content to help investors make informed decisions, as well as promoting investors education and financial knowledge across the markets we operate in have always been iFAST Corp's core emphasis when it comes to growing the Company sustainably since the early days of our business.

OUR RESEARCH CAPABILITIES

DEDICATED RESEARCH AND CONTENT FUNCTION

With our mission statement "To help investors around the world invest globally and profitably" in mind, we strive to empower investors with the necessary financial knowledge. We are also cognisant of the fact that investors require transparent information and accessible tools in order to make informed decisions. For this reason, we have adopted various initiatives to bring research and content to our customers, employees and the broader investment community.

Our focus has always been to make available research and content to all retail investors when they access our online platforms or mobile applications. This includes regular updates on the various investment products offered on our platforms, research content ranging from market analysis to outlook pieces, as well as webcast interviews with our analysts and professional fund managers.

Over the past few years, with the Company bringing on board new asset classes and services across both our B2B and B2C portals, the focus on providing openly available content and research remains an integral part in our efforts to reach out to our customers as well as the general public.

On our B2B portals, we provide our partners with the necessary updates on macro market trends and information on investment products through our research content, which further equip them with the relevant knowledge to help their clients (i.e. the end-investors) in building up their investment portfolios.

Over the past few years, the Company's Fixed Income division has taken the lead in leveling the playing field between institutional investors and individual investors in the bonds distribution space. Our team of bond research analysts provide regular updates on the global fixed income market through articles that touch on both the latest market developments and interesting investment ideas, to help novice or savvy bond investors better understand this asset class.

Similarly, when stockbroking capabilities were launched on our various platforms, we set up the Stocks and ETFs research team to look into providing relevant research content to our investors, with the scope of articles covering exchanges that the Company is connected to, namely the stock exchanges in Singapore, Hong Kong, and the US.

CREATING SYNERGY WITH OUR REGIONAL RESEARCH TEAMS

The Company has set up local Research teams in the various markets that we operate in, providing research coverage on the macro-markets and products and services on our platforms. Currently, the Research team is made up of more than 25 research analysts based across Singapore, Hong Kong, Malaysia, China and India, each bringing to the team their familiarity and expertise in the local and regional markets, as well as their specialty knowledge of the products they look into. We believe this will provide investors with insights from a diverse perspective.

The regional Research teams also enjoy strong synergy, and regularly conduct research related meetings; where applicable research content are shared across the various markets we are in, providing investors based in other markets with the insights from local analysts.

In FY2018, the Company also launched a new initiative for research analysts to be given the chance to be based in another market that we operate in for a short period of time. The objectives of the exchange programme are to provide our analysts with invaluable opportunities to familiarise themselves with another market apart from their home market, and through interacting with the local teams on a day-to-day basis, they will be able to experience the dynamics of the market and the intricacies of the products offered in those markets, allowing them to gain first-hand insight in the markets and products they cover, and eventually be able to provide better research content for our various platforms.

This initiative also helps to facilitate further interaction and ideas exchange across various research teams in the region, promoting flow of ideas and information across the various research teams based in the different markets we are in.

In FY2018, two analysts participated in this initiative, and we hope to be able to provide more analysts with such opportunities in the upcoming years.

APPROVAL PROCESS: ENSURING ACCURACY AND SUITABILITY

Within the Research team, articles can be conceptualised at regularly scheduled or informal discussion meetings, before the actual writing process.

Our research article topics typically range from macro-market analysis (usually equities or bonds markets), financial market updates, products analysis (funds, bonds, ETFs, stocks and SGS bonds), investment ideas, to the introduction or discussion of investment trends and concepts.

Over the course of compiling data for research articles, the teams utilise Bloomberg Professional Service to gather financial market data, where verification of the data will be done regularly, and errors will be rectified as soon as possible.

To ensure that the content is suitable for publication and dissemination, completed articles will have to be reviewed and approved by the relevant parties, including a fellow member of the Research team or the Research Manager, where the research rationale and language use will be carefully scrutinised. Subsequently, all written research articles will then be reviewed by an independent department, including the Corporate Communications team, to ensure the impartiality of the research content. Approving authorities are able to decide against signing off the articles if there are any issues found within them. Following this approval process, a finalised copy of the article will be printed for filing.

This rigorous process of research articles production is to ensure that all content produced by our Research team will be independent and non-biased, to be truly able to bring value to our investors as well as the investment community.

RESEARCH ARTICLES AND CONTENT

The Company understands that retail investors and our B2B Financial Advisory ("FA") partners alike are keen to know the latest movements and developments in the market, as such timely information will empower them to derive better investment decisions for themselves or for their clients.

As such, the Research team publishes regular market update articles to provide a recap of the major economic happenings around the world, while also summarising the performance of the various equities and bond markets under the teams' coverage.

In 2018, more than 330 research articles were published, and more than a third of these articles were published on a regular basis, including our Bond Market Monitor, Valuations, Bond & Commodities Tracker, Idea of the Week and the best read Top Markets and Funds articles.

Also, after each quarter, the Research team will review all markets under our coverage, and evaluate the top and bottom performing markets and unit trusts, to give investors a better idea of how to position their investments going forward.

Over the last few years, our regional research teams have joined efforts every November to review their forecasts and macro-economic trends, to formulate the investment outlook and major investment themes for the upcoming year.

Other than that, with the launch of our discretionary managed portfolio services, monthly updates of the portfolios and commentaries are also provided by the portfolio manager, allowing investors to track the performance of their portfolios, and to understand the reason behind their performance over the past month. These commentaries are available even for non-investors, providing the investment community with the ability to access and understand the construction and performance of the various portfolios.

DELIVERING RESEARCH AND OTHER CONTENT TO ENGAGE CUSTOMERS

On our B2C platforms, both the general public and our customers can register for free electronic newsletters, free research and content updates, to get the latest updates provided by our Research team and various products team, as well as notifications on our marketing promotions and events.

On top of that, we also send out mobile notifications when new research articles or other important updates are published, enabling our customers to get the latest information on their investments on-the-go through our mobile application.

MEDIA CONTRIBUTION

Our focus on providing research and content since the early days has not only attracted the attention of the investor community, we also have members of the media contacting our Research and Content teams across the Group for their comments on a wide range of topics from market trends and movements, products performance, to retirement and wealth planning.

This was especially so when we launched our Fixed Income research department, as dedicated research on bonds was relatively inaccessible in most Asian markets.

In Singapore, our Research team contributes to monthly columns on The Business Times and Lianhe Zaobao, where our Macro Research, Unit Trust and ETFs analysts engage readers regularly with our in-house research views.

In FY2018, our Research team's comments were featured in more than 70 articles published on The Straits Times, The Business Times, Lianhe Zaobao, The Edge and Bloomberg. Our analysts were also featured on live studio and recorded interviews on ChannelNewsAsia, and participated in local radio interviews on MoneyFM, HaoFM 96.3, and Capital 95.8 FM.

REGULAR RESEARCH TRAININGS

To better equip our internal licenced representatives as well as our B2B FA partners with the necessary product knowledge when new products are brought on board the platforms, the Research team has been conducting regular product training and update sessions.

Our Research team also holds Monthly Morning Meetings targetting our B2B partners, where topics ranging from market updates and research ideas are shared. Also, the Research team conducts Investment Planning Courses for both our internal licenced representatives as well as our B2B partners.

PROMOTING FINANCIAL EDUCATION

SEMINARS AND WORKSHOPS

Identical to the previous years, a number of events were held throughout the year to reach out to both our customers and the general public.

Our flagship event "What and Where to Invest" ("WAWTI") is usually held at the start of the year to provide investors with the outlook of various global asset classes (equity, fixed income and others) from our research analysts, and to hear from the industry experts from our fund house partners. During such events, investors can also interact with the investment professionals and get the answers to their investment queries. In 2018, over 3,500 investors attended this flagship events in Singapore, Hong Kong, and Kuala Lumpur and Penang in Malaysia.

In Singapore, more than 1,700 participants took part in our "FSM INVEST Expo 2018", and based on the survey conducted after the event, more than 90% of the respondents noted that the presentations held during the event were clear and easy to understand, and that the event was engaging and insightful.

ESG@iFAST: Research & Financial Education

The Company will be looking at maintaining the standard of our flagship events (i.e. to improve or maintain the percentage of participants agreeing that the presentation topics are clear and easy to understand).

In addition, throughout the year, our different business divisions across the Group work together with our fund house partners to hold regular events to present the latest market analyses and investment insights to our B2B wealth advisers and investors. In 2018, a total of more than 55 such smaller scale events were held across the B2B and B2C divisions, covering a wide range of topics including the outlook and opportunities for the various markets, while some product partners also joined in, to offer more insight into the products that they manage.

Similarly, with the launch of new product categories, we have also emphasised the educational aspect, by holding workshops related to our new products and services for our B2B wealth advisers and investors. This includes talks on Daily Leverage Certificates and Estate Planning in Singapore, workshops on FSM Managed Portfolios and bonds in Malaysia, as well as seminars on online DPMS and stocks and ETFs trading in Hong Kong. We have also tapped on the Internet live-streaming technology to reach out to more investors. We have held close to 10 webinars throughout the year on FSMOne.com Hong Kong, providing updates on the fixed income markets, as well as the performance of our DPMS portfolios to our Hong Kong investors.

Other than research-themed events, we held regular workshops for investors to introduce our platform services, so that they are able to make full use of the features and tools on our website and mobile application, to better do their research and carry out their investments. For instance, all new FSMOne clients in Singapore received a special invitation to attend an exclusive workshop, where the important tools and features available on FSMOne.com were introduced, to guide them on how to navigate and realise the full potential of the platform, so as to empower them to make an informed decision when investing on the platform. A similar workshop was also held in Malaysia in September 2018.

COLLABORATIONS WITH INDUSTRY PARTNERS

Apart from in-house events and workshops, we have also joined forces with our media and industry partners to promote financial literacy to the investor community across the five markets we are in.

In 2018, the Company participated in seven external events organised by SGX, Lianhe Zaobao and The Motley Fool in Singapore.

We collaborated with SGX on various initiatives to promote financial education. This includes participating in events such as “Millennials: Invest Early, Take Charge of Your Financial Future” in April 2018, where we helped new investors cut through the noise and imbue them with important investment lessons, and “My First Stocks Carnival” in May 2018, which was aimed at teaching investors about the ABCs of investing in a fun, easy and interactive manner.

In addition, the Singapore B2C team collaborated with the premier Chinese dailies Lianhe Zaobao and sponsored the publication of an investment guide titled 《自学成财 2》, which translates to “How to Be a Self-Taught Investor: An Investment Guide”. In conjunction with the Book Launch, the team also had a presence at the Singapore Book Fair held in May 2018, where our Senior Analyst from the Stocks and ETFs Research team spoke about how investors can build a source of passive income with dividend stocks.

For our overseas markets, in Malaysia, our FSM team has been collaborating with Financial Planning Association of Malaysia (“FPAM”) since 2015 to organise workshops specially catered for women. In October 2018, we continued the tradition and invited experienced female professionals to talk about how financial independence can give women a sense of empowerment to allow them to be in control of the decisions they make in life, as well as cancer awareness at the event titled “Achieving Financial Independence + How to Survive Breast Cancer?”. Attendees also enjoyed free basic health screening at the event.

The Company has set a target to increase the collaborations with our media and industry partners in the upcoming years, and to participate in more financial education or financial literacy related activities going forward.

PROMOTING FINANCIAL EDUCATION INTERNALLY

PROMOTING FINANCIAL EDUCATION AMONG OUR EMPLOYEES

Similarly, equipped with our in-house expertise, we hope to provide our employees with the necessary knowledge and skills to conduct their own financial planning and investments.

Introduced in 2014, the “iFAST Academy” saw our research analysts and other employees come together to share financial and investment tips.

In Singapore, in 2018, we invited speakers from our Content and Marketing, Estate Planning, and Insurance team to share their expertise in their respective fields. A total of 52 employees attended in the three sessions held in 2018, where they gained insights on tax filing and calculation, the basics of Wills, Trust and Lasting Power of Attorney (LPA), as well as how to determine if their current insurance coverage is sufficient. We hope to provide our own employees with adequate financial planning insights, for them to be able to better plan for their financial future. A similar initiative iFAST Investment Academy Program was also launched in Malaysia in 2017.

Other than that, we also have in place an “Employee Investment Scheme” to help employees who wish to invest regularly. The scheme works in a simple manner, subject to certain terms: for every dollar amount the employee invests into a fund, the Company adds a certain percentage as a booster, all in the spirit of helping our employees take the first step in achieving their financial goals.

ESG@iFAST: Customers & Investors

As an online investment products distribution platform, investors are the core customers of iFAST Corp, and we have been taking a pro-investor stand since the Company's inception, undertaking various initiatives to benefit customers including aspects such as research and transparent pricing already discussed in the earlier sections to achieve sustainable growth. In addition, after the Company was listed in December 2014, we continued to focus on our shareholders and the investor community, and strive to provide timely disclosures of the Company's financial results and performance.

PROPER DUE DILIGENCE ON PRODUCT PROVIDERS

When bringing investment products on board both our B2B and B2C platforms, there are policies in place to evaluate the products, and background checks will be conducted to ensure the legitimacy and suitability for them to be distributed to our customers.

Our new product due diligence process consists broadly of three portions. Firstly, a due diligence check on the product manufacturer or provider will be conducted, covering areas such as the firm's financial strength, regulatory structure, and contact information. Secondly, a detailed check on the product's structure will be done to ensure that the product is registered or approved by their home regulator. The Company may even contact the product provider's custodian, administrator, auditor or legal adviser to verify that the working relationship is genuine. Finally, an independent research analysis is conducted on the product's investment strategy, fees and risk level to ensure that they are reasonable and sound, so that investors will not be treated unfairly or be at a disadvantage.

After the initial due diligence checks to bring the products onto the iFAST platforms, the Company continues to engage and communicate with our product providers to better understand their state of business and operations, and annual regular due diligence checks will also be conducted to review the suitability of the products.

For FY2018, in the annual Product Provider Due Diligence exercise, more than 70 product providers on board our platforms were surveyed and there were no major issues discovered. The Company targets to continue to ensure due diligence is properly conducted for product providers on a regular basis.

ACCURATE AND NON-MISLEADING MARKETING MATERIAL

All marketing materials, which are defined as materials with the intention to provide incentives to encourage actions to be taken, will have to go through a stringent approval process before getting sent out to both our B2B and B2C end-customers. They will first be approved by a Head of Department, followed by a member from the Compliance team to ensure that there are no misrepresentations or any oversights in terms of compliance or regulations.

This is to ensure that the mechanisms behind our marketing campaigns are fair to customers, and that there is no ambiguity in the incentives where customers and investors could potentially be misguided by. Hence, important details such as validity period, incentives in exact terms, exclusions, and requirements will have to be distinctly stated in the Terms and Conditions that accompany our marketing material.

The Company has also set out clear guidelines for marketing materials on aspects such as language use, sufficient disclosure, risk warnings, product comparisons, data presentation and compilations and etc. This is to ensure all customers are presented with accurate and well- represented content with clearly defined and specified incentives within the marketing materials.

For FY2018, there were no incidents pertaining to misleading marketing materials. The Company targets to continue maintaining a strict control over our marketing material approval process to keep our marketing material transparent and non-misleading.

APPROPRIATE INVESTMENT ADVISORY FOR DIY INVESTORS

For our B2C platforms, we have an Investment Advisory ("IA") team responsible for providing investment and portfolio advice to customers.

In Singapore, the Investment Advisory department was incepted in 2011 in response to the Customer Knowledge Assessment ("CKA") and Customer Account Review ("CAR") regulations that went into effect in 2012. As stipulated by the regulations, investors who have failed their CKA/CAR (based on criteria such as investment experience, work knowledge, and education qualifications) will need to seek the necessary portfolio and investment advice before they are able to transact listed/unlisted specified investment products (SIP).

With the wide selection of products available on board our platforms, the Company understands that customers may feel unsure of the type of products that they should be investing into, and hence may require some form of guidance in terms of products recommendation or portfolio review. The IA team is also available to assist such customers kickstart their investing journey.

Therefore, for B2C customers who require investment advisory, regardless of their CKA/CAR status, they can fill up an online "Portfolio and Investment Objective Factfind Questionnaire", where details such as financial situation, investment horizon and objectives, and risk appetite have to be provided. This is for our IAs to be able to better assess the investor and to recommend according to the customer's investment objectives and financial situation with a reasonable basis. Subsequently, the customer will have to review and approve the advice, before actual transactions can take place.

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To ensure the quality and suitability of the advice of our IAs, a strict internal control process has to be followed, where the head of department or supervisors of the IA team reviews and approves the advice for each customer. The IAs will also have to provide sufficient disclosures and information for the unit trust products recommended by them, such as fee structure and documents (including fund prospectus, product highlights sheet, as well as the fund factsheet), for the customers to have a better understanding of the charges, and a good understanding of the products that are being recommended.

In addition, the IA team also receives support from our Research team. Apart from providing the necessary market updates and product recommendation, the Research team also provides the investment basis for each risk profile, including the level of asset allocation and weightage based on macro outlook, further aligning the synergy between our Research and IA teams.

TRANSPARENT INSURANCE PLATFORM

Transparency can sometimes be uncommon for certain products, which have historically been plagued by an opaque commission structure that typically works at the expense of customers.

With the launch of insurance services on Fundsupermart in Singapore back in 2015, we have provided a transparent commission rebate structure to all our investors who wish to purchase insurance products online. Currently, investors can enjoy a commission rebate of 30%-40% when they purchase insurance products on the FSMOne platform. In 2017, we have also expanded the range of insurance products offered on our platform to include travel insurance, while motor insurance was also added to the platform in 2018. Insurance products are also offered on FSMOne.com Malaysia, where investors can receive 30% in commission rebates on insurance products.

Apart from transparency in terms of products and charges, our insurance platform also features a suite of content articles to create awareness of the various aspects that customers should be mindful of when purchasing insurance products, and to elaborate on the important factors that consumers should consider when purchasing insurance products for oneself.

CUSTOMER SERVICE

Customer service plays an important role in the success of companies, and at iFAST Corp, we have a dedicated team of Customer Service personnel to provide assistance to both our B2B and B2C customers.

ACTIVE ENGAGEMENT THROUGH VARIOUS CHANNELS

Even though the Company operates an online platform where customers are able to access their accounts, obtain research content and other related information on our websites and mobile applications, we also engage our customers through various offline channels.

Customers who require assistance can choose to visit our offices during business hours to speak to our customer service personnel, who besides providing answers to queries, will also be able to guide customers through various processes such as account opening, password resetting and personal detail updates. Alternatively, our customers can contact our customer service hotline during operating hours to get their enquiries answered.

In December 2017, with the launch of US stockbroking services on our B2C platform in Singapore, to cater to US trading sessions, we have also extended our customer service hotline operating hours to 10:30pm from Mondays to Fridays (except public holidays), and from 8:30am to 12:30pm on Saturdays (except public holidays).

For customers who prefer to use text messaging to pose questions or provide feedback, they can contact us via our Customer Service department's email, or use the Live Chat services on our websites. Our B2C customers can also utilise the new "Feedback" function on the FSMOne website to do a screen capture of the issues that they are facing, and provide feedback or raise questions to the Customer Service team.

Additionally, customers can also subscribe to our "Alert" function, where they can select their preferred form of communication (SMS and/or Email notifications) for the type of alert they wish to receive from us for each account. This service is now available for New Bond issues, New Share Placement and Equity IPO.

To better serve our customers, our Customer Service team closely tracks the statistics for the above engagement channels, and reports on data such as type of incoming calls and emails as well as live analysis of live chats and etc, and the team has also set up service standard benchmarks such as response time for email replies.

Such information is also crucial to the Company to better plan and deploy our customer service resources, to ensure that our customers' questions and concerns are timely addressed.

In FY2018, our Customer Service team has managed to keep within the internally set email response time. The Company is committed to continuously improve on our responses to our customers, and will strive to undertake measures to be better equipped to provide better customer service to all our end-customers.

According to the Singapore FSMOne customer satisfaction survey conducted in 2018, 77% of the respondents who have indicated that they have spoken to the Client Services team, gave a 7 or above rating when asked "How satisfied are you with our (Client Services Team) services?" (1 = very unsatisfied; 10 = very satisfied). Going forward, the Company targets to improve our customers' satisfaction level in respect of the service standard rendered to our B2C customers.

MANAGING FEEDBACK AND COMPLAINTS

The Company takes all customers' feedback and complaints seriously, and strives to resolve issues that our customers may face during the course of their investment journey with us. We have set in place standard procedures to ensure all complaints received are handled in an independent, fair and timely manner, irrespective of the scope or severity.

In the event when the Company receives any feedback or complaints from customers, the Customer Service team creates a complaint case into a database to register the details of the complaint case for tracking and record.

All relevant parties and higher authorities within the Company will also be kept in the loop throughout the complaints management process, where they will be authorised to approve or reject any proposed resolution, and to close the complaint case when the issues have been resolved. All correspondences will also be documented.

The Company sees feedback and complaints as opportunities for us to fine-tune and enhance our services, and this leads us to continue to track and follow up such cases and incidents closely and diligently.

ENGAGING INVESTORS AND SHAREHOLDERS

As a strong advocate of transparency and our positioning as a pro-transparency investment platform, the Company also understands the importance of providing timely updates to our shareholders and the investment community. The Company also believes that investors and shareholders should be informed of changes in the Company or its business, which could affect the price or value of the Company's shares.

As such, and in accordance with the listing rules stipulated by the Singapore Exchange Securities Trading Limited ("SGX-ST"), as well as the Singapore Code of Corporate Governance 2012, the Company is committed to at all times ensure shareholders are kept informed of the Company's developments and updates, and hence the Company discloses information via the SGXNET in a timely and transparent manner.

INVESTOR RELATIONS POLICY

This policy aims to ensure all investors are able to access information of the Company, including the Company's business strategies and updates, stock and financial performance, corporate management and governance and etc., in a timely manner.

All disclosures and announcements submitted to the SGX via SGXNET will be made available on the Company's Investors Relations website. In the unlikely event when information previously undisclosed were made known to the public, the Company will promptly announce the related appropriate information to the public through SGXNET and the corporate website.

The Company endeavours to convey all essential and relevant disclosure and information to shareholders and other prospective investors in a balanced, effective and timely manner, and in clear and plain language. The Company also strives to consistently disclose both positive and negative developments of the Company, and that all disclosure is presented and conveyed factually and clearly.

More details on our Investor Relations communications will also be shared in the Corporate Governance Report section of this Annual Report under Principle 15.

INVESTOR RELATIONS MEETINGS

The Company actively seeks to engage shareholders and the investment community regularly through various channels.

Other than formal events such as Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM"), members of our Management team have been conducting results briefing to analysts and institutional investors since 2015. In FY2018, the Company has undertaken various new initiatives to provide more engagement channels for the Company's investors and shareholders to better grasp the latest developments of the Company.

In the past years, two post-announcement results briefings were held in the financial year. In FY2018, the Company has held four such briefings after the quarterly results announcement of the Company. In addition to inviting institutional investors and research analysts to the result briefing sessions, we have also invited both our B2B and B2C customers, members from the media, as well as other interested retail investors for the Company's 1H2018 results briefing session, as well as a special pre-AGM business update session that was held just before the AGM session.

The Company has also taken the initiative to film and upload webcast recordings of the briefings onto our IR website. Financial results presentation slides and financial results are also updated on the corporate website (www.ifastcorp.com) on a quarterly basis, to provide investors with the latest results.

Other than meeting up institutional shareholders and investors, the Company also participates in group meetings (held both locally and overseas), conference calls, investor luncheons, roadshows and conferences. In FY2018, the Company took part in three Investor Relations group events and non-deal roadshows, and had met up with more than 70 analysts and institutional investors at one-on-one meetings and conferences.

In addition, publications and circulars, such as annual reports, press releases and statements of major developments, are also available on the corporate website in their respective sections.

INVESTOR RELATIONS AWARDS

In 2018, iFAST Corp picked up "Best Investor Relations – Silver Award" in the Singapore Corporate Awards 2018 in the "Companies with less than S$300 million in market capitalisation" category. The Singapore Corporate Awards ("SCA") event was held on 18 July 2018 in Singapore. iFAST Corp had previously received the "Best Investor Relations – Merit Award" for First-Year Listed Companies at the Singapore Corporate Awards 2015.

According to the information published on the SCA website, the "Best Investor Relations" award recognises local listed companies that "embody the spirit of good corporate governance and corporate transparency; and hence adopt and implement best practices in investor relations (IR)".

The award also validates the Company's belief that we should always focus on providing the information that can help investors make better decisions, and is a testament to the various ways the Company has undertaken to engage both retail and institutional investors, the media and the investment community in a timely and transparent manner.

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SGTI – RANKED WITHIN THE TOP 15%

In 2016 to 2018, iFAST Corp ranked in the top 15% out of all SGX-listed companies in the Singapore Governance and Transparency Index ("SGTI"), a benchmark index to assess the level of corporate governance among SGX-listed companies to evaluate their disclosure and governance practices. Coming in within the top 15% among all listed companies in Singapore is a testament to our focus in upholding transparency throughout the Group.

According to the Centre for Governance, Institutions & Organisations ("CGIO") website, the Index aims to measure the timeliness, accessibility and transparency of a company's financial results announcements, and companies are scored in various aspects, such as Board Responsibilities, Rights of Shareholders, Engagement of Stakeholders, Accountability & Audit, as well as Disclosure and Transparency. (Source: https://bschool.nus.edu.sg/cgio/our- research/sgti)

Previously, iFAST Corp also picked up the "Most Transparent Company Award 2015, New Issues Category" at the SIAS Investors' Choice Awards 2015.

The Company will continue to focus on enhancing our standard and transparency level of our disclosures.

ESG@iFAST: Employees & Community

Employees are the biggest asset to any company, and this statement is especially valid to iFAST Corp. The growth of iFAST Corp from a small Singapore-based company with less than 10 employees back in the year 2000, to a Group of companies with presence across five markets in Asia as of 31 December 2018, can be attributed to our employees and their hard work. Future sustainable growth of the Company will be dependent on how well we are able to tap on the talents of our employees, and if we are able to continuously motivate them to achieve greater heights.

Apart from promoting financial education and providing content on investments, the Company takes a unique approach when supporting charitable causes, one which involves our own employees lending their hands to the less-well-off in the community, and at the same time challenging themselves physically and mentally.

EMPLOYEES

We recognise that employees play an important role in the sustainable growth of the Company, and has set in place a series of policies to ensure that the concerns of our employees are readily addressed, and to provide sufficient motivation and incentives for them.

EQUAL EMPLOYMENT OPPORTUNITY AND OTHER EMPLOYMENT POLICIES

iFAST Corp is committed to a policy of equal opportunity for all potential and current employees. We hire, promote, develop and compensate employees based on meritocracy and without regard to age, gender, disability, marital status, race or colour, national origin, religion, sexual orientation or any other legally protected class or status.

The Company believes that a diverse work force will bring together a wide range of perspectives and experiences, which will be beneficial to the Company. As of 31 December 2018, iFAST Corp has more than 660 employees across the markets that we operate in. The Company employed 178 employees for our Singapore operations.

As shown in Table 1, we have a gender diverse workforce with an almost-balanced gender ratio. In terms of Nationality, Singaporeans and Permanent Residents make up the highest proportion of our workforce at 89.9%, which is a display of our commitment to work with our local pool of talents within the Finance and Technology industry. In FY2018, the employee turnover ratio in Singapore improved from 19.2% to 15.1%.

Table 1: Employees breakdown by gender, age group and turnover rate (Singapore)

	2017	2018
By Gender		
Male	44.5%	44.9%
Female	55.5%	55.1%
By Age Group		
≤ 30 years old	46.3%	49.4%
31-40 years old	40.9%	37.1%
≥41 years old	12.8%	14.4%
By Nationality		
Singaporean & PR	86.6%	89.9%
Foreigner	13.4%	10.1%
Employee turnover rate		
Singapore	19.2%	15.1%

The Company has established and will continue to adopt an equal employment opportunity policy. The Company is committed to complying with all applicable government safety, health and environmental regulations and establishing systems to provide a safe and healthy workplace for our employees.

Employees who believe that they have been subjected to discriminatory behaviour will have a channel to raise their concerns, and any such complaints will be investigated in consort with the Human Resource department to determine the appropriate actions to be taken.

FAIR COMPENSATION AND BENEFITS

The Company is committed to ensuring all salaries and benefits compensations are duly paid to our employees and are rendered in full compliance with all applicable laws. The offered packages will also be in line with the qualifications, experience, performance, and job scope of our employees.

Other than remuneration packages, the Company provides various benefits to our employees. This includes medical and dental benefits to care for their physical well-being, as well as providing them with insurance policies to provide hospitalisation and surgery benefits. Term life policies are also purchased to provide coverage to eligible employees under the Company's employment.

The Company provides parental leave in accordance to the regulations in Singapore, including Maternity Leave for eligible female employees, shared parental leave for working fathers, adoption leave for adoptive mothers, paternity leave, childcare leave and extended childcare leave.

In 2018, a new initiative titled "WellBeFlex" was launched for Singapore staff, covering medical, dental, and sports benefits, simplifying medical claims, while taking care of the well-being of our employees and their dependents. An in-house medical check-up session was also held for employees in 2018, providing the convenience to employees to get a full health check.

While the Company had previously set up an Employee Share Options Scheme in the past as a form of long-term incentive scheme, following the Company's listing in end 2014, we introduced a new scheme called the Performance Shares Plan ("PSP") to recognise our employee's achievements and contributions to the growth of the

ESG@iFAST: Employees & Community

Company. With this Plan, we hope to motivate our employees to optimise their performance standards and efficiency, and to instill loyalty, retain key employees and attract potential employees to join us.

HELPING EMPLOYEES INSURE AFFORDABLY AND INVEST PROFITABLY

Given the Company's core business operations as an investment products distribution platform, we have developed schemes to assist our employees kickstart their investments, as well as maintain and grow their investment portfolio for themselves or for their families.

Employees are eligible for staff discounts and rebates on sales charges when they purchase investment products, such as unit trusts, stocks and ETFs (Singapore, Hong Kong and US), as well as corporate bonds through FSMOne.com, the Company's B2C platform.

Other than offering discounts and rebates to reduce the hurdle for our employees to build their investment portfolio, we also have in place an "Employee Investment Scheme" which supports employees to begin their regular investment journey, whereby the Company co-invests alongside with the employees, providing them with a loss buffer to help them make the first step, or a little boost to help them achieve their financial goals.

Additionally, the Company also provides commission rebates to employees when they purchase general insurance products, to encourage our employees to properly plan for insurance coverage for themselves and for their loved ones, while at the same time enjoying lower cost.

EMPLOYEEE TRAINING DEVELOPMENT

The Company believes that relevant education and/or training is necessary to empower our employees and to enhance their work performance. Hence, the Company provides support for employees to take up external courses which both benefits them and enhances the area of expertise that he/she may bring to the Company. This includes professional courses such as AFP/CFA/CFP. Similarly, any other short term courses, day seminars and conferences that can add value to the employees' knowledge and expertise will also be supported by the Company.

In Malaysia, a new team called the "Training and Development Team" was set up to look into providing continuous products and relevant skills training to the relevant teams. The training will encompass the different functions and roles of the Company, in order to achieve a high level of understanding of the Company's business and products through the provision of continuous upgrading to relevant employees. Enhanced training and education are key factors in letting employees believe that their increased participation in the work process can be integral in improving service quality.

In FY2018, the total number of training hours was at 1,588 hours. Going forward, the Company will strive to improve the average hours of training per year for each employee, in order to ensure that our employees receive the necessary training hours to better perform their job.

SPORTS ALLOWANCE AND SPONSORSHIP FOR SPORTING ACTIVITIES

To encourage our employees to partake in sporting activities to keep themselves physically fit and mentally healthy, the Company provides a sports allowance which can be claimed on a monthly basis.

The Company has also sponsored or provided subsidies for our employees to take part in sporting activities. One beneficiary under this sponsorship participated in the Translantau 50km in March 2018 and Transjeju 111km in October 2018. He recently completed the Translantau 100km in March 2019 and has plans to take part in other endurance races in 2019 and 2020. He has also organised various training sessions which involve our other employees, in a bid to encourage them to participate in sporting activities to keep themselves healthy, and to inculcate the important value of perseverance to complete daunting tasks.

INTERNAL COMMUNICATIONS

The Company conducts regular updates to share our latest news and developments to our employees. These updates are communicated in newsletters and corporate presentations to our employees. Launched in 2014, iFAST Vibes is a bi-monthly newsletter circulated internally within iFAST, with the intention to keep all internal staff updated on the recent activities happening within our regional offices.

In addition, corporate updates are usually held after the release of iFAST Corp's quarterly results, which not only help to keep employees informed on how the Company is doing every quarter, but also serve as an opportunity for employees from different departments to get together.

In FY2018, six issues of iFAST Vibes were sent out to all employees throughout the Group: Six corporate updates were held across the Group, including two sessions in Singapore, and one session each in Hong Kong, Malaysia, and China (Shenzhen and Shanghai).

Going forward, the Company will target to provide more opportunities for employees to get the latest information and updates from the Group, so as to keep abreast of the latest happenings of the various subsidiaries within the Group.

ORIENTATION PROGRAMMES

To help our new employees better understand the Company's cultures and values, and to integrate and assimilate them into the work culture of the Company. Orientation programmes are conducted regularly.

Other than the Human Resources team touching on issues useful to our new employees, the Corporate Communications team also shares the history, important milestones and values of the Company, while the Compliance and Tech Risk team will provide necessary information for new staff, elaborating on topics such as Fair Dealing, Anti-Money laundering, good IT and security practices and etc.

In FY2018, two sessions of orientation programmes were held in Singapore, and similar sessions were also held in Malaysia and Hong Kong.

Going forward, the Company intends to continue with the provision of orientation programmes to new staff across the Group.

COMMUNITY

Other than engaging the investor community with our research capabilities as mentioned in the "Research and Financial Education" section of this Sustainability Report, iFAST Corp has been giving back to the society through various other methods.

CHARITY THROUGH SPORTS

"Taking part in sports helped me learn the value of dedication and perseverance for a certain cause. In sports, I learned that while a target may look unattainable at first, upon closer analysis, with determination and hard work, it becomes achievable." Mr Lim Chung Chun

This quote from our CEO Mr Lim Chung Chun sums up the reason why we have been supportive of our employees' active participation in sports and why we have chosen to support charity initiatives that features sporting elements. Examples include iFAST Hong Kong's sponsoring of the iFAST Metro Race ("IMR") in Hong Kong, where sports, investment and charity converge. The IMR is an orienteering race that is open to our employees, business partners and the public, and it was first held in Hong Kong back in the year 2013. Among the various orienteering races held in Hong Kong, the IMR also stood out for being the first-ever night orienteering race held in Hong Kong's Central Business District.

Through the physically challenging and intellectually stimulating race, we hope to promote a healthy lifestyle that emphasises the importance of both physical and financial health, while enhancing participants' financial knowledge and helping them apply such knowledge as a way to improve their lives.

iWALK: iFAST WEALTH ADVISERS LEAD KINDNESS INITIATIVE

With the launch of an industry initiative named iWALK (iFAST Wealth Advisers Lead Kindness Initiative) back in 2017, iFAST Corp has managed to gather wealth advisers, fund house partners and industry friends from the region to participate in a distance race event and raise funds for charity. We hope that we can lead the industry to do our part to "live kindness" and make a difference to the underprivileged.

Held across different countries each year, the physically gruelling Oxfam Trailwalker is a charity sporting event held in various venues across the world. The Company had participated in past events held in Brisbane (in 2016), Sydney (in 2013), and Hong Kong (in 2011 and 2012), where our employees and even members from our Senior Management and Board of Directors took up a leap of faith to challenge the 100km trek which has to be completed within 48 hours.

In 2018, iFAST Corp sent a contingent of 68 walkers to participate in the event held in Korea, and our iWALKers took up the challenge to complete the 100km trek in 38hours – 10 hours shorter than previous trailwalks. A total of 43 out of 68 walkers finished the race, with the fastest team consisting of our B2B advisers from Singapore and employees from Hong Kong coming in at fourth place, clocking 19 hours and 58 minutes.

In March 2019, iFAST Corp will be sending 11 teams of 44 walkers to New Zealand, where our iWALKers will be stepping up the challenge once again to take on the 100km trek in 36 hours.

A strenuous long distance trek requires good mental and physical preparation. Our teams have been taking up practice treks well in advance, and have bonded over the training sessions. Our iWALKers also invited other colleagues who have yet to sign up for the physically demanding event to join in this healthy activity.

REWARD POINTS DONATION SCHEME

Apart from supporting charity causes from a company's perspective, we have pushed out initiatives to help our customers give back to society. In Singapore, under the FSM Rewards Programme, FSMOne.com customers can choose to utilise their reward points for a good cause, and to convert their reward points into cash donations to our selected charity partners. As of 31 December 2018, FSMOne.com Singapore customers can choose to donate to Community Chest, a local charity organisation that raises funds for more than 80 charities in Singapore, or to support another of our beneficiary organisation Students Care Service, an innovative and collaborative organisation that is committed to delivering quality and relevant services to children and youths to maximise their potentials.

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ESG@iFAST: Employees & Community

CARING FOR THE ENVIRONMENT

As an online investment products distribution platform, environment impact is not part of iFAST Corp's material ESG issues within the scope of this sustainability report, as the environmental footprint of the Company is relatively small, as our core business operations are mainly conducted online.

Nonetheless, iFAST Corp is fully aware of the importance of environmental protection and has a number of measures in place to operate our business activities in an environment-friendly manner.

First of all, iFAST Corp's main office is located within Ocean Financial Centre, an office building that has received BCA Green Mark Platinum and LEEDs Platinum, and has already put in place various measures such as energy-efficient features and paper recycling system for offices. (Source: Keppel Live Website)

As an online platform, we have been encouraging a shift towards minimising paper usage for customer transactions. Our customers are also given the choice to select the mode of receiving their monthly account statements. Other than the traditional method of receiving physical statements sent via snail mail, we have alerts to prompt our customers to "go green" and opt for electronic statements (encrypted for security reasons) sent via email instead, which helps to reduce the consumption of paper products. Alternatively, they can also simply log in to their personal account to view archived statements over a 12-month period.

As a Fintech company, we have also thought of how we can innovate while making it easier for investors to transact. Our investors can now experience a smooth online experience when opening an FSMOne account; all documents, including identity card and supporting documents, can be submitted online, making the online account experience a seamless and paperless one. In the process, we all play a part in saving on the printing and mailing of physical documents.

Going forward, the Company has plans to take a closer look at the usage of resources that may impact the environment over the course of our operations as energy is mainly consumed for our day-to-day office operations. The average energy consumption per employee in Singapore (total energy used, divided by total number of employees) was 2,393kWh in 2018, and the Company targets to undertake measures to encourage employees to be mindful of their energy usage.

As the Company's operations do not involve water consumption, and water is mainly used by employees working in the office and for sanitary purposes, we will not be disclosing water consumption data. Nonetheless, the Company will continue to stress the importance of water conservation and to educate employees to be mindful of water wastage in the office.

The Company has also kickstarted a recycling campaign in Singapore in late-FY2018, and has plans to start tracking the progress and the effectiveness of the recycling for the upcoming reporting period before presenting the results.

Table 2: Energy Consumption Data

Year	Energy Consumption (kWh)	Percentage Change	Average Energy Consumption (kWh)	Percentage Change
2017	395,952	-	2,414	-
2018	426,010	7.6%	2,393	-0.9%

ESG@iFAST: Regulatory Compliance

iFAST Corp is committed to building a strong compliance culture while adhering to all applicable laws and regulations within the jurisdictions in which we operate in. With the introduction of new products, trends and technologies in the financial industry, there have been rapid changes in the regulatory landscape, where new rules and guidelines are regularly introduced and existing ones reviewed to deal with new demands of the industry. We are committed to stepping up our efforts in adopting best practises to ensure regulations are duly complied with, in order to achieve sustainable growth for the Company in the long term.

COMPLIANCE FRAMEWORK

COMPLIANCE TEAM

As part of the Company's effort to manage our businesses in compliance with the highest standards of both regulatory and licensing requirements, we have set up local Compliance teams in all our offices in Singapore, Hong Kong, Malaysia, China and India. The teams are tasked to drive and administer the Compliance function and agenda in their respective markets.

In Singapore, the Compliance team supports both our B2B and B2C divisions. This independent function reports directly to the Group's COO and is responsible for monitoring, identifying, evaluating, and rectifying regulatory compliance risks.

The work scope of the Compliance team can be broadly categorised into advising business units on regulatory requirements and procedures to ensure compliance; monitoring of business activities and reporting, including checks and reports on anti-money laundering and countering the financing of terrorism matters; working with business units on rectifications or areas of improvements; and taking charge of the licensing and appointment of representatives as well as regulatory reporting.

COMPREHENSIVE COMPLIANCE TRAINING

Training is a key component in the Company's Compliance framework. Hence, we are constantly working towards strengthening our compliance training programme for all staff.

Compliance employees are required to take and pass the relevant rules and regulations modules, which include but are not limited to the Capital Markets and Financial Advisory Services Module 5 (Rules and Regulations for Financial Advisory Services) and Module 1A (Rules and Regulations for Dealing in Securities). In addition, we also send employees in our Compliance team for the Advanced Certificate/Diploma in Governance, Risk and Compliance programme conducted by the International Compliance Association ("ICA"). The Company encourages employees in our Compliance team to stay abreast of the latest regulatory and compliance developments through attending courses, workshops and/or obtaining the relevant certifications.

New employees who are in non-Compliance roles are required to go through an online training programme on Anti-Money Laundering and Countering the Financing of Terrorism, Fair Dealing, Personal Data Protection and Staff Trading policy, followed by an online assessment. Similarly, all employees are required to complete an online refresher course each year, where they will need to achieve a score of at least 80% to be considered as having passed the online assessment to meet the training requirements.

In view of the strict compliance rules in the financial industry, we offer annual trainings on the Company's advisory policies and procedures for employees providing financial advisory services. Topics covered include regulatory areas such as making recommendations with a reasonable basis (fact-find) and taking into account CKA results; various product information and remuneration disclosures; marketing requirements; and Fair Dealing Annual training sessions are also conducted for all employees involved in operations and settlement to keep them aware and up-to-date on the regulatory requirements relating to their functions.

The Company will continue to ensure that all employees receive adequate training and are able to pass the annual compliance assessment, which will equip them with the necessary knowledge and skills to carry out their duties in compliance with the regulatory requirements in an effective and efficient manner.

RISK MANAGEMENT

The Company has set up various departments to look into enhancing the robustness of our risk management measures, including the Internal Audit department, Technology Risk department and Management Risk Committee ("MRC"). The Internal Audit department reviews risk exposures based on risk matrices and compliance with performance audits. It also carries out quarterly reviews and reports to our Audit Committee, with an administrative reporting line to our CEO. The Technology Risk team manages various technology risks by identifying, assessing, recommending and putting in place appropriate technology security policies, systems and monitoring processes. It has the committed resources to expand the team as and when necessary to adequately cope with the growth of our business. The MRC, which is guided by the Board Risk Committee ("BRC"), assesses the risk of new and existing products and services, including risks related to Operations, Regulatory, Compliance, Services and Processes.

ETHICS AND FAIR DEALING

The Company is committed to sustainable business practices that are supported by a range of initiatives. We define fair dealing as conducting our business in a transparent and ethical way that enhances value for all of our stakeholders and delivers fair dealing outcomes to our customers.

ESG@iFAST: Regulatory & Compliance

Fair dealing is central to the Company, our Senior Management and our Board of Directors. They are committed to aligning the direction of the Company with fair dealing outcomes to all stakeholders. We recognise that this is a journey and best practice is continuously evolving.

A Fair Dealing Committee ("FDC") has been set up in the Company and tasked to oversee the implementation of initiatives to achieve the five Fair Dealing Outcomes ("FDOs"). The Compliance department is tasked to conduct checks on various initiatives and work processes in ensuring Fair Dealing outcomes are duly met. These checks help to assess and ascertain that these initiatives and work processes have not lapsed and remain effective. The Compliance department will also periodically review and fine-tune the checks done to better meet the changing demands of the financial industry.

A two-prong internal and external approach is taken when it comes to communicating the Company's position towards achieving the FDOs. The FDC will also conduct customer surveys to gather feedback on the Company's service levels/customer satisfaction, including areas pertaining to Fair Dealing.

Based on the results of customer surveys and mystery shopping conducted in FY2018, there were no incidents of Fair Dealing misconduct identified.

In addition, the team regularly contributes to iFAST Vibes, the Company's bi-monthly newsletter, to share Fair Dealing case studies and scenarios with employees of the Company. In FY2018, two such real-life case studies based on actual events faced by the Compliance team in Singapore were contributed and shared with the Company, to reiterate the importance of ensuring fair dealing within the Company.

ANTI-MONEY LAUNDERING/ COUNTERING THE FINANCING OF TERRORISM ("AML"/"CFT")

The Company is committed to building and maintaining a strong compliance culture, with the Board and Senior Management setting the right tone. In line with this, the Group's COO/CRO is appointed as the overall AML/CFT Compliance Officer.

At the back of our businesses, products and customer profiles, we have in place a number of policies, procedures and controls, with the aim to effectively mitigate risks associated with money laundering and terrorists financing. These policies, procedures and controls form part of the work flow of various business units, in which the Compliance team will carry out regular audit and monitor the effectiveness of these implementations. Technology is one aspect which the Company has successfully leveraged on to manage our controls and monitoring processes. It allows us to reduce human errors, improve efficiency as well as the frequency of controls and monitoring processes, and thus the overall effectiveness of our AML/CFT efforts.

The Company remains committed to reviewing the measures we have put in place on an annual basis to remain relevant and up-to-date, ensuring that the various measures are effective and capable of identifying and flagging up money laundering and terrorist financing activities. Both the Compliance department and the Senior Management team are mainly responsible for the reviews, and the Group's Internal Audit team is also tasked to perform periodic reviews.

Training forms an important role in promoting the compliance culture within the Company. Therefore, the Company requires all employees to complete and pass the compliance training programme and online assessment every year (ie. 100% completion). All new staff are also required to undergo a compliance training, with AML/CFT as one of the key topics, and will have to pass an online assessment thereafter. This is done to keep our staff up-to-date on the Company's AML/CFT policies, and serves as a reminder to all staff about their roles and responsibilities on AML/CFT related issues.

In FY2018, a new AML department was established and based in the Singapore office, a reflection of the dedication that the Company has towards adopting sufficient and effective measures relating to AML/CFT across the markets that the Company operates in. As training is an important part in building our Compliance framework, employees in the AML team are sent to attend AML certification courses to ensure that they are well-equipped with the necessary knowledge and skills to carry out their functions.

STAFF TRADING POLICY

The Company has comprehensive policies and procedures in place to govern employees' personal trading of listed securities to ensure our employee's personal investments are lawful and free from conflicts of interest. Under the policy, all employees in Singapore are required to only trade through FSMOne.com for all listed securities transactions, and are obliged to obtain pre-trade approval through the Employee Trade Approval system before executing their trades on all stock exchanges. Securities transactions are reviewed regularly by the Compliance team to identify any potential breach of prohibitions on insider trading.

PERSONAL DATA PROTECTION ACT ("PDPA")

PDPA covers personal data stored in electronic and non-electronic forms which are collected, used and disclosed by organisations. The Company sets out the manner and purposes for which we will obtain and process personal information, as covered under our Privacy Policy.

The Company has appointed two Data Protection Officers ("DPOs") responsible for ensuring the Company's compliance with the PDPA in respect of protecting the personal data in the Company's possession or control.

The roles of DPOs include developing policies for handling personal data in electronic and non-electronic forms, communicating internal personal data policies to customers and handling any queries or complaints related to the protection of personal data. The DPOs also engage all employees to communicate the data protection policies and their roles in safeguarding our customers' personal data to understand the internal processes in place to protect personal data. The DPOs are also in charge of conducting regular internal audits to ensure that the Company's processes adhere to PDPA, and to alert the Management of any risk of a data breach or other breaches of the PDPA and to liaise with the Personal Data Protection Commission ("PDPC") for investigations on breaches, where necessary. They will also be the overall in-charge for remedial measures in the event of a breach.

The training for personal data protection is conducted together with our regular AML/CFT and Fair Dealing training for all employees, where they will be provided with training materials and are required to pass an online assessment to ensure competency. In FY2018, we also engaged a trainer specialising in PDPA to conduct two sessions of PDPA workshop for our staff in Singapore, while one similar session was organised by our Training and Development Team in Malaysia.

While there were no major incidents of PDPA breaches identified in FY2018, the Company has plans to step up the efforts taken to ensure principles of PDPA are properly adhered to, and will continue to provide sufficient training to employees involved in the collection of personal data.

All business divisions are required to adhere to the PDPA guidelines when implementing new initiatives. Disciplinary actions will be taken against employees who breach the PDPA regulation.

GRI Content Index

GENERAL STANDARD DISCLOSURES			
GRI Standards	Disclosure	Disclosure Title	Page Reference & Remarks
GRI 102: **General Disclosure (Organisational profile)**	102-1	Name of the organisation	Corporate Profile & Business Model (Pg. 3)
	102-2	Activities, brands, products, and services	Corporate Profile & Business Model (Pg. 3); Corporate Organisation (Pg. 12)
	102-3	Location of headquarters	Corporate Profile & Business Model (Pg. 3)
	102-4	Location of operations	Corporate Organisation (Pg. 12)
	102-5	Ownership and legal form	Corporate Organisation (Pg. 12)
	102-6	Markets served	Corporate Organisation (Pg. 12)
	102-7	Scale of the organisation	Corporate Organisation (Pg. 12); Corporate Governance Report (Pg. 68)
	102-8	Information on employees and other workers	ESG@iFAST: Employees & Community (Pg. 59)
	102-9	Supply chain	Corporate Profile & Business Model (Pg. 3); Fintech Ecosystem (Pg. 18); Stakeholder@iFAST (Pg.35)
	102-10	Significant changes to the organisation and its supply chain	2018 In Perspective (Pg. 16); 2018 Financial Highlights & Review (Pg .26)
	102-11	Precautionary Principle or approach	ESG Risks & Opportunities (Pg. 39)
	102-12	External initiatives	NIL
	102-13	Membership of associations	Corporate Organisation (Pg. 12)
GRI 102: **General Disclosure (Strategy)**	102-14	Statement from senior decision-maker	Chairman's Message (Pg. 4)
	102-15	Key impacts, risks, and opportunities	ESG Risks & Opportunities (Pg. 39)
GRI 102: **General Disclosure (Ethics and integrity)**	102-16	Values, principles, standards, and norms of behavior	iFAST Core Value (Pg. 2, 17 & 32); Sustainability Strategy & Overview (Pg. 33); Corporate Governance Report (Pg. 68)
GRI 102: **General Disclosures (Governance)**	102-18	Governance structure	Board Of Directors & Senior Management (Pg. 6); Sustainability Strategy & Overview (Pg.33); Corporate Governance Report (Pg. 68)
GRI 102: **General Disclosures (Stakeholder Engagement)**	102-40	List of stakeholder groups	Stakeholders@iFAST (Pg. 35)
	102-41	Collective bargaining agreements	NIL
	102-42	Identifying and selecting stakeholders	Stakeholders@iFAST (Pg. 35)
	102-43	Approach to stakeholder engagement	Stakeholders@iFAST (Pg. 35)
	102-44	Key topics and concerns raised	Stakeholders@iFAST (Pg. 35)

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GENERAL STANDARD DISCLOSURES			
GRI Standards	Disclosure	Disclosure Title	Page Reference & Remarks
GRI 102: **General Disclosures (Reporting Practice)**	102-45	Entities included in the consolidated financial statements	Directors' Statement & Financial Statements (Pg. 85 - 177)
	102-46	Defining report content and topic Boundaries	Sustainability Strategy & Overview (Pg. 33)
	102-47	List of material topics	Sustainability Strategy & Overview (Pg. 33); ESG Materiality Assessment (Pg. 42)
	102-48	Restatements of information	NIL
	102-49	Changes in reporting	NIL
	102-50	Reporting period	1 January 2018 to 31 December 2018; Sustainability Strategy & Overview (Pg. 33)
	102-51	Date of most recent report	March 2018 (included in Annual Report 2017)
	102-52	Reporting cycle	Annual; Sustainability Strategy & Overview (Pg.33)
	102-53	Contact point for questions regarding the report	Corporate Information (Inside Back cover)
	102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Strategy & Overview (Pg. 33)
	102-55	GRI content index	GRI Context Index (Pg. 66)
	102-56	External assurance	No external assurance for FY2018
ECONOMIC			
GRI 201: **Economic Performance**	201-1	Direct economic value generated and distributed	Directors' Statement & Financial Statements (Pg. 85 - 177)
GRI 205: **Anti-Corruption**	205-2	Communication and training about anti-corruption policies and procedures	ESG@iFAST: Regulatory Compliance (Pg. 63)
ENVIRONMENT			
GRI 302: **Energy**	302-1	Energy consumption within the organisation	ESG@iFAST: Employees & Community (Pg. 59)
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GRI 401: **Employment**	401-1	New employee hires and employee turnover	ESG@iFAST: Employees & Community (Pg. 59)
	401-2	Benefits provided to full time employees that are not provided to temporary or part time employees	
	401-3	Parental leave	
GRI 404: **Training and Education**	404-1	Average hours of training per year per employee	ESG@iFAST: Employees & Community (Pg. 59)
	404-2	Programs for upgrading employee skills and transition assistance programs	
GRI 405: **Diversity and Equal Opportunity**	405-1	Diversity of governance bodies and employees	ESG@iFAST: Employees & Community (Pg. 59); Corporate Governance Report (Pg. 68)
GRI 413: **Local Communities**	413-1	Operations with local community engagement, impact assessments, and development programs	ESG@iFAST: Research & Financial Education (Pg. 52); Stakeholders@iFAST (Pg. 35)
GRI 417: **Marketing and Labeling**	417-1	Requirements for product and service information and labeling	ESG@iFAST: Research & Financial Education (Pg. 52); ESG@iFAST: Customers & Investors (Pg. 55)
GRI 418: **Customer Privacy**	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG@iFAST: Fintech & Cybersecurity (Pg. 49); ESG@iFAST: Regulatory Compliance (Pg. 63)

Corporate Governance Report

The Board of Directors (the "Board" or the "Directors") and management (the "Management") of iFAST Corporation Ltd. (the "Company", and together with its subsidiaries, the "Group"), recognise the importance of good corporate governance and the offering of high standards of accountability to protect and enhance the interests of shareholders. The Board is committed to the highest standards of corporate governance adopted by the Group.

The Corporate Governance Report describes the Group's corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "Code") for the financial year ended 31 December 2018. The Company has generally adhered to the principles and guidelines of the Code, and deviations are explained in the report for the financial year ended 31 December 2018.

A. BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

The Board is collectively responsible for the long-term success of the Company. The Board has fiduciary duties and responsibilities to ensure the interests of the Company are aligned to shareholders' value and its growth. The Board works with the Management to achieve this objective and the Management remains accountable to the Board.

The roles and responsibilities of the Board are to:
(i) Provide entrepreneurial leadership and be responsible to oversee and ensure that the Group's overall strategies are aligned with long-term objectives. Key decisions on financial and human resources will be taken by the Board;
(ii) Review the Management's performance to ensure effectiveness and efficiency in executing business strategies for the long-term success of the Company;
(iii) Set the Company's values and standards (including ethical standards) and be responsible for the Group's overall policies;
(iv) Establish a framework for evaluating the adequacy of internal controls and risk management, and be responsible for reporting financial performance and compliance;
(v) Safeguard shareholders' interests and the Company's assets, identify key stakeholder groups whose perceptions may affect the Company's reputation;
(vi) Assume responsibility for corporate governance practices; and
(vii) Consider sustainability issues as part of its strategic formulation.

All Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company for the financial year ended 31 December 2018.

The Board has a set of internal guidelines setting forth matters that require its approval. A summary of the types of matters that require the Board's approval are listed below:
(i) The Group's corporate strategic and business plans, annual budgets, key operational initiatives, major investments (mergers and acquisitions) and divestments, material transactions and funding decisions;
(ii) The Group's quarterly and annual results announcements for release to the Singapore Exchange Securities Trading Limited (the "SGX-ST") and audited financial statements;
(iii) Recommendations made by the Nominating Committee for appointments to the Board;
(iv) Declaration of interim dividends and proposal of final dividends; and
(v) The remuneration packages recommended by the Remuneration Committee for members of the Board and key executives.

The Board meets at least four times a year, with additional meetings convened as and when necessary. Meetings are scheduled in advance. Ad-hoc Board meetings are convened as and when they are deemed necessary in between the scheduled meetings. Where a physical Board meeting is not possible, Directors can join the meeting by way of telephone or video conference or other methods of simultaneous communication by telegraphic or electronic means, whereby all persons participating in the meeting are able to communicate as a group without requiring the Directors' physical presence at the meeting. The Company's Constitution allows for this.

The Board has established four Board Committees (the "Board Committees") to effectively execute its responsibilities. The following Board Committees have clearly defined terms of reference and functional procedures, which are reviewed regularly:
(i) Audit Committee ("AC")
(ii) Board Risk Committee ("BRC")
(iii) Nominating Committee ("NC")
(iv) Remuneration Committee ("RC")

Newly-appointed Directors will be informed of their duties and obligations in a formal letter, and undergo an orientation programme prepared by the NC. The programme includes a briefing by Management on the Group's structure, businesses, operations, policies and governance practices. As part of the Company's plan to leverage on the extensive experiences of different members of the Group's Senior Management team and in line with the Board's intention to periodically refresh the representation of Executive Directors in the Board, Mr Goh Bing Yuan, the Director of IT Applications, was appointed to the Board on 2 January 2018. Meanwhile, Mr Kelvin Yip Hok Yin had completed his term and ceased as Executive Director effective 2 January 2018 and remains as Managing Director (Platform Services) for our Hong Kong subsidiaries and continues to be a member of the Senior Management team. Mr Toh Teng Peow David and Ms Janice Wu Sung Sung were appointed to the Board on 18 April 2018. Mr Toh Teng Peow David attended training conducted by Singapore Institute of Directors while Ms Janice Wu Sung Sung is already a Director in another listed company at the date of appointment. Both Mr Toh Teng Peow David and Ms Janice Wu Sung Sung have been provided with a formal letter setting out the duties and responsibilities of Directors and their obligations.

The Directors recognise the importance of receiving relevant trainings on a regular basis that can help them in the course of their work, particularly on relevant new regulations and laws. The Company has identified relevant staff to provide regulatory and market updates to the Board at every meeting. The Directors have taken their own initiatives to attend sessions organised by external organisations during the financial year 2018, such as the Anti-Money Laundering course conducted by Singapore Management University or KPMG Services Pte. Ltd. and the briefing on the understanding of the revised Code of Corporate Governance & Listing Rules changes conducted by Singapore Institute of Directors. The Company will be responsible for arranging and funding the training of Directors.

The attendance of the Directors at meetings of the Board and Board Committees in 2018, as well as the frequency of such meetings, are appended below. The minutes of all Board and Board Committee meetings are circulated to members for their review and confirmation.

Name of Director	Board		AC		BRC		NC		RC	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Chung Chun	4	4	-	-	4	4	2	2	-	-
Yao Chih Matthias	4	4	4	4	4	4	-	-	2	2
Ling Peng Meng(1)	4	1	-	-	-	-	-	-	2	1
Kok Chee Wai	4	4	4	4	-	-	2	2	2	2
Ng Loh Ken Peter	4	4	4	4	4	4	2	2	-	-
Lim Wee Kian	4	3	-	-	-	-	-	-	-	-
Low Huan Ping(2)	4	1	-	-	4	1	-	-	-	-
Goh Bing Yuan(3) (6)	4	4	-	-	4	2	-	-	-	-
Toh Teng Peow David(4) (6)	4	3	-	-	4	2	-	-	2	1
Janice Wu Sung Sung(5) (6)	4	3	4	2	-	-	-	-	-	-

Notes:
(1) Mr Ling Peng Meng retired as Director of the Company with effect from the conclusion of the Annual General Meeting held on 18 April 2018. During his tenure as the Director and the RC member of the Company, there were 1 Board meeting and 1 RC meeting held.
(2) Mr Low Huan Ping retired as Director of the Company with effect from the conclusion of the Annual General Meeting held on 18 April 2018. During his tenure as the Director with the Company, there were 1 Board meeting and 1 BRC meeting held.
(3) Mr Goh Bing Yuan was appointed as a Director on 2 January 2018 and as a member of the BRC on 2 May 2018.
(4) Mr Toh Teng Peow David was appointed as a Director on 18 April 2018 and as a member of the BRC and RC on 2 May 2018.
(5) Ms Janice Wu Sung Sung was appointed as a Director on 18 April 2018 and as a member of the AC on 2 May 2018.
(6) Since the appointment to the Board and the respective Board Committee, all Directors newly appointed in 2018 attended all Board meetings and respective Board Committee meetings held during their tenures as the Directors and the Board Committee members of the Company respectively.

Corporate Governance Report

PRINCIPLE 2: THE BOARD'S COMPOSITION AND GUIDANCE

The Board comprises two Executive Directors, four Independent Directors and two Non-Independent Non-Executive ("Non-Executive") Directors during year 2018.

The Company has a strong and independent element on the Board with four Independent Directors out of the total of eight Board members. No individual or small group of individuals dominate the Board's decision making.

The criteria for independence are determined based on the definition as provided in the Code and the Listing Manual. The Board considers an "independent" Director as one who has no relationship with the Group, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company and the Group. A Director will not be considered independent if he is employed by the Company or any of its related corporations for the current or any of the past three (3) financial years or if he has any immediate family members who is employed by the Company or any of its related corporations for the past three (3) financial years and whose remuneration is determined by the Remuneration Committee.

The Board, with the assistance of NC, assesses the independence of each Director. The relevant factors considered by the NC are independence in character and judgement, as well as relationships or circumstances, which are likely to affect, or would appear to affect the Director's judgement. Particular attention is given to review and assess the independence of any Director who has served on the Board beyond nine years from the date of appointment. Following the retirement of Mr Ling Peng Meng as Director on 18 April 2018, the Board does not have any Independent Director who has served in the Board beyond nine years from date of appointment.

The NC reviews the size of the Board on an annual basis and considers the present Board size as appropriate for the current scope and nature of the Group's operations and the requirements of the business. The Board is of the view that there is an appropriate balance in the Board when it comes to the Board's decision-making process.

The Board is able to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues. Each Board member brings independent judgement, diversified skills, knowledge and experience when dealing with issues of strategy, performance and standards of conduct. They also provide core competencies of accounting, finance, legal, business and management experience, industry knowledge and strategic planning experience and customer-based experience or knowledge with their pattern-recognition skills. This is beneficial to the Company and Management as decisions by the Board would be enriched by a broad range of views and perspectives and experience of the Directors. The Board is of the view that effective blend of skills, experiences and knowledge in areas identified by the Board should remain a priority. While gender is one of the selection criteria of a Director for new appointment to the Board, the Company will not compromise on qualifications, experience and capabilities. The final selection will be made in a fair and undiscriminating manner. The Board has already taken positive steps towards gender diversity of the Board and has appointed Ms Janice Wu Sung Sung to the Board on 18 April 2018. The profile of each Board member is set out in the Board of Directors section in this Annual Report.

The primary role of the Independent Directors is to act as a check and balance on the conduct of the Board and Management of the Company and in doing so, promote the interests of minority shareholders and all shareholders as a whole. The Independent and Non-Executive Directors constructively challenge and help develop proposals on strategy. They also review and monitor the performance of the Management. The Independent and Non-Executive Directors met without the presence of Management in FY2018 and the Lead Independent Director provided feedback to the Chairman.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual represents a considerable concentration of power.

Mr Lim Chung Chun is our Chairman and Chief Executive Officer ("CEO"). He is a co-founder of the Group, a Controlling Shareholder and the largest shareholder of the Company. The Board believes the role of Chairman and CEO need not be separated as there is a good balance of power and authority with all critical committees chaired by Independent Directors.

Mr Lim Chung Chun is responsible for setting the strategic direction of our Group and oversees the entire overall management of our Group. Our business and operations are presently under the management and close supervision of Mr Lim Chung Chun, who is assisted by a team of Senior Management. As Chairman of the Board, Mr Lim Chung Chun is responsible for the effective working of the Board, ensuring adequate time is available for discussion and encourage constructive relations within the Board, and between the Board and Management. He ensures effective communication with shareholders and promotes high standards of corporate governance.

Mr Yao Chih Matthias is our Lead Independent Director, who is available to shareholders who have concerns and for which contact through the normal channels to the Chairman and CEO or the Chief Financial Officer ("CFO") are inappropriate or have failed to resolve any possible issues. The Lead Independent Director has chaired several Board Committee meetings with Independent Directors, which were not attended by the Chairman. Matters discussed at these Board Committee meetings will be submitted to the Chairman of the Board as feedback.

PRINCIPLE 4: BOARD MEMBERSHIP

The Nominating Committee ("NC") comprises the following three members, the majority of whom are Independent Directors, including the Chairman:
Mr Kok Chee Wai (Chairman)
Mr Ng Loh Ken Peter (Member)
Mr Lim Chung Chun (Member)

Mr Yao Chih Matthias, our Lead Independent Director, is not a member of the NC as he is already a member of the other three Board Committees, and is a Chairman of two of the Board Committees (BRC and RC). In the interest of ensuring that there is no over-concentration of responsibilities on any one of the Board members, the Board is of the opinion that for now, the Lead Independent Director does not have to be a member of the NC.

The NC is responsible for the following:
(i) Identify candidates and review all nominations for the approval of the Board, relating to the appointment, reappointment or termination of Directors, the CEO, and the members of the various Board Committees;
(ii) Make recommendations to the Board on the matters described in (i) above, how the Board's performance may be evaluated and propose objective performance criteria and the succession plan for the CEO;
(iii) Review the succession plan for the CEO, the results of the Board's performance evaluation and the actions taken on issues and matters arising from the Board's performance evaluation; and
(iv) Develop a process for evaluation of the performance of the Board, its committees and Directors.

The NC prepares orientation programmes for new Directors and recognises the importance of providing relevant training on a regular basis for existing Directors. This training can help them in the course of their work, particularly on relevant new regulations and laws. The NC has identified relevant staff to provide regulatory and market updates to the Board.

Where new appointments are required, the NC will consider recommendations for new Directors, review their qualifications and meet with such candidates, before a decision is made on a selection. The NC considered the requirements of the Board and agreed for the need of progressive refreshing of the Board. In view of the foregoing, the Board is of the view that there is an adequate process for the appointment of new Directors. The criteria for identifying candidates and reviewing nominations for appointments shall include gender diversity in the pool of candidates evaluated for new appointment to the Board so as to achieve the following Board composition:
(i) The Board shall comprise at least half of Directors independent from Management and business relationships with the Company;
(ii) At least half of the Board shall be Independent Directors when the Chairman and the CEO is the same person, otherwise at least one-third of Directors shall be Independent Directors; and
(iii) At least a majority of Directors shall be independent from any shareholder who holds a 10% or more interest in the Company.

When assessing a candidate, the NC shall, in addition to the fit and proper criteria set out in the Code, consider the candidate's track record, age, experience, and capabilities. The final selection will be made in a fair and undiscriminating manner.

The NC considered the need for progressive refreshing of the Board based on the requirements of the business. With this in mind, the Board had appointed Mr Goh Bing Yuan to the Board as part of the progressive refreshing of the Board with new and relevant opinions to strengthen the Group's position as a Fintech company.

Corporate Governance Report

During the year, the NC reviewed and determined that Mr Yao Chih Matthias, Mr Kok Chee Wai, Mr Ng Loh Ken Peter and Mr Toh Teng Peow David are independent. The NC took into consideration the criterion of independence as set out in the Code and considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgments.

The NC also reviews and makes recommendation to the Board on the succession plans for its Board and Chairman.

The Company's Constitution requires a newly appointed Director to hold office until the next Annual General Meeting ("AGM") and at least one-third of the Directors to retire by rotation at every AGM. A retiring Director is eligible for re-election at the AGM. Mr Ng Loh Ken Peter, Ms Janice Wu Sung Sung and Mr Toh Teng Peow David are due for retirement at the AGM pursuant to the provisions of the Company's Constitution. The NC, having assessed the performance and contribution to the Board and the Company, has recommended the re-election of Mr Ng Loh Ken Peter, Ms Janice Wu Sung Sung and Mr Toh Teng Peow David as Directors of the Company at the forthcoming AGM. The Board has concurred with the NC's recommendation. In compliance with the provisions of the Listing Manual, Mr Lim Chung Chun has submitted himself for re-nomination and re-appointment to the board at the forthcoming AGM. Please refer to the explanatory notes in the Notice of AGM for information on relationships in relation to the Directors submitted for re-appointment.

The Company does not have any alternate director and there are no alternate directors appointed in the financial year ended 31 December 2018.

The Board is satisfied that the Directors have devoted sufficient time and attention to the affairs of the Company. Although some of the Directors have multiple board representations, with two Directors holding directorship in other listed companies, the Board is of the view that they widen the experience of the Board and give it a broader perspective. Details of other principal commitments of the Directors are set out in the Board of Directors section in this Annual Report.

The Directors have concurred with the guideline of the NC of a maximum number of listed board representation which any Director may hold is five.

Key information for 2018 regarding the Directors of the Company is disclosed as follows:

Name of Director	Date of first appointment	Date of last re-appointment as a Director	Nature of Appointment	Membership of Board Committee	Directorship/Chairmanship both present and those held over the preceding three years in other listed company
Lim Chung Chun	11 September 2000	-	Executive Chairman/ Chief Executive Officer	Member of BRC and NC	None
Yao Chih Matthias	1 January 2014	11 April 2017	Lead Independent Director	Chairman of BRC and RC, Member of AC	None
Ling Peng Meng(1)	10 March 2006	8 April 2016	Independent Director	Member of RC and BRC	None
Kok Chee Wai	1 January 2014	11 April 2017	Independent Director	Chairman of NC, Member of AC and and RC	None
Ng Loh Ken Peter	1 January 2014	8 April 2016	Independent Director	Chairman of AC, Member of BRC and NC	Procurri Corporation Limited
Lim Wee Kian	28 April 2004	11 April 2017	Non-Executive Director	None	None
Low Huan Ping(2)	30 June 2005	10 April 2015	Non-Executive Director	Member of BRC	M1 Limited
Goh Bing Yuan(3)	2 January 2018	18 April 2018	Executive Director	Member of BRC	None
Toh Teng Peow David(4)	18 April 2018	-	Independent Director	Member of BRC and NC	None
Janice Wu Sung Sung(5)	18 April 2018	-	Non-Executive Director	Member of AC	Mindchamps PreSchool Limited

Notes:
(1) Mr Ling Peng Meng retired as Director of the Company with effect from the conclusion of the AGM held on 18 April 2018.
(2) Mr Low Huan Ping retired as Director of the Company with effect from the conclusion of the AGM held on 18 April 2018.
(3) Mr Goh Bing Yuan was appointed as a Director on 2 January 2018 and as a member of the BRC on 2 May 2018.
(4) Mr Toh Teng Peow David was appointed as a Director on 18 April 2018 and as a member of the BRC and RC on 2 May 2018.
(5) Ms Janice Wu Sung Sung was appointed as a Director on 18 April 2018 and as a member of the AC on 2 May 2018.

PRINCIPLE 5: BOARD PERFORMANCE

The Board has implemented a process for assessing the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director and the Chairman to the effectiveness of the Board. The performance criteria remained the same as last year. No external facilitator was used in the annual assessment.

The performance criteria, in a questionnaire with quantitative ratings in key areas and which seeks subjective comments, was developed by the NC and approved by the Board. The Directors assessed the Board as a whole and the contribution of their peers with the objective of continuous strengthening of good corporate governance. The Board Committees were assessed with regard to the discharge of responsibilities set out in the respective Terms of Reference. The assessment of the contribution of the Chairman covers his duties, leadership, communication skills, ethics/values, knowledge and interaction with the various stakeholders. The results are tabulated by the Company Secretary and presented at the NC meeting for review and discussions. The NC evaluated the comments and ratings based on the questionnaire completed by the Directors. The NC assessed the areas where the Board felt it functioned effectively, and areas where it was weak and required improvements. Feedback and comments received from Directors are reviewed by the NC, in consultation with the Chairman of the NC and Board. An action plan had been proposed to address these areas. Where appropriate, new members may be proposed to be appointed to the Board or existing Directors may be asked to step down from the Board. The NC Chairman has reported the findings to the Board. The objectives of the Board performance, as determined by the NC, was discussed at length with the view of enhancing long-term shareholder interests and value.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

PRINCIPLE 6: ACCESS TO INFORMATION

Board reports are provided to the Directors prior to the Board meetings. This is issued in sufficient time prior to the meeting to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. Presentation decks for analysts and media reports, if any, on the Group are forwarded to the Directors on an ongoing basis.

A calendar of meetings is scheduled for the Board at the beginning of the year. All Directors are provided with complete and adequate information prior to Board meetings and on an ongoing basis. The Board receives financial highlights of the Group's performance and business developments are presented on a quarterly basis at Board meetings. Budget and forecast compared with actual results were provided at the quarterly Board meetings. Update of financial highlights includes commentaries, analysis and variances. The Directors are updated on regulatory changes to the jurisdictions which the Group is operating. The Group's CEO and Senior Management are present at these presentations to address any queries which the Board may have.

All Directors have separate and independent access to the Group's Senior Management and the Company Secretary. The Company Secretary advises the Board on the Board procedures and highlights the rules and regulations which are applicable to the Company. The Company Secretary attends all Board and Board Committee meetings (except RC meetings). The appointment and removal of the Company Secretary are decisions taken by the Board on the whole. The Board has a procedure for Directors, either individually or as a Group, in the furtherance of their duties, to take independent professional advice, if necessary, and at the Company's expense.

Corporate Governance Report

B. REMUNERATION MATTERS

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Remuneration Committee ("RC") is established for the purpose of ensuring that there is a formal and transparent process for developing a policy on executive remuneration.

The RC comprises the following Independent Directors:
Mr Yao Chih Matthias (Chairman)
Mr Kok Chee Wai (Member)
Mr Toh Teng Peow David (Member)

All three RC members are Independent Directors. The RC is assisted by the Human Resources team of members.

The RC has adopted written terms of reference. The RC is delegated by the Board with authority to approve the incentive scheme framework and remuneration of the Company's Directors and Senior Management, and obtain external professional advice to help fulfill its duties at the Company's expense.

The RC will meet at least twice a year and the duties of the RC are set out below:
(i) Make recommendations to the Board on:
    (a) Remuneration, including salaries, allowances, bonuses and incentives to be awarded against the achievement of prescribed goals and targets for the CEO and each Executive Director, if any, to ensure its alignment with shareholders' and stakeholders' interest and long-term value creation for the Company;
    (b) Compensation arrangements for the loss of termination of office, or dismissal or removal of the CEO and each Executive Director;
    (c) Framework and policies for determining Non-Executive Directors' remuneration; and
    (d) Specific remuneration packages for each Director.
(ii) When setting remuneration policy for the Directors, review and have regard to the remuneration trends across the Group and Company, as well as the industry;
(iii) Review the ongoing appropriateness and relevance of the remuneration policy and seek to ensure that the remuneration policies are in line with the strategic objectives and corporate values of the Company, and do not give rise to conflicts between the objectives of the Company and the interests of individual Directors and Senior Management;
(iv) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
(v) Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to senior executives and the performance targets to be used;
(vi) Oversee any major changes in employee benefits structures throughout the Company or Group;
(vii) Seek inputs from Board Risk Committee and ensure that remuneration practices do not create incentives for excessive or inappropriate risk-taking behaviour.

The RC shall review the Company's obligations arising in the event of the termination of an Executive Director and/or Senior Management personnel's contract of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

All members of RC abstained from deciding his own remuneration.

The RC has access to both internal and external advice on remuneration matters whenever there is a need to consult. No external remuneration consultants were appointed in financial year 2018.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration is aligned with the long-term interest and risk policies of the Company, and is targeted at attracting, retaining and motivating (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, the Company avoids paying more than is necessary for this purpose.

Remuneration of Non-Executive Directors and Independent Directors

The remuneration of Non-Executive Directors and Independent Directors is proportionate to their level of contribution, effort and time spent and their respective responsibilities. There is a framework for determining the fees paid to each Non-Executive Director and Independent Director. The fees paid to Non-Executive Directors and Independent Directors have been approved at the AGM held on 18 April 2018. This includes payment in cash and issuance of equivalent shares to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of Non-Executive Directors with the interests of shareholders. On 1 May 2018, the Company had issued 86,800 ordinary shares to Non-Executive Directors (including Independent Directors) as part of their Directors' fees subject to vesting conditions of approximately one-third of the share awards will be vested after 2 years from date of grant and the remaining approximately two-third of the share awards will be vested after 3 years from date of grant.

The framework for determining the fees paid to each Non-Executive Director and Independent Director for the financial year ended 31 December 2018 is as follows:

	Member	Lead Independent Director
Board	$32,000 per annum	$37,000 per annum

	Member	Chairman
AC	$12,000 per annum	$18,000 per annum
BRC	$10,000 per annum	$14,000 per annum
NC	$6,000 per annum	$9,000 per annum
RC	$6,000 per annum	$9,000 per annum

The Independent Directors are also the Directors of a subsidiary. The fees paid to Independent Directors have been approved at the AGM of the subsidiary held on 17 April 2018. The framework for determining the fee paid to each Independent Director for the financial year ended 31 December 2018 is as follows:

	Member
Board	$6,000 per annum

Corporate Governance Report

Remuneration of Chairman and CEO, Executive Directors and Key Management Personnel

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The tenets of the review of the remuneration of Executive Directors and key management personnel are to benchmark against industry peers while ensuring remuneration commensurate with the Group's performance while considering affordability and fairness.

The remuneration of the Chairman and CEO, Executive Directors (who are also key management personnel) and key management personnel (other than Executive Directors) comprises of fixed component, variable component, equity-settled share-based payment under Long-term Incentive Plans and other benefits. Variable component of the remuneration of the Chairman and CEO comprises profit sharing bonus for the Chairman and CEO, based on the Group's performance and internal and external audit including audits by regulators. Meanwhile, the variable component of Executive Directors (who are also key management personnel) and key management personnel (other than Executive Directors) are in the form of variable bonus based on the performance of the Group and individual. There are clawback provisions for failure to uphold fair dealing guidelines under the variable component of remuneration for Chairman and CEO, Executive Directors (who are also key management personnel) and key management personnel (other than Executive Directors). The fixed component of the remuneration for the Chairman and CEO, Executive Directors (who are also key management personnel) and key management personnel (other than Executive Directors) relates to basic salary, statutory contributions and fixed allowances. There are appropriate and meaningful measures for the purpose of assessing the performance of the Chairman and CEO, Executive Directors and key management personnel.

Other benefits are provided, which are consistent with market practice, and include medical benefits, travel allowances, car expenses and other flexible benefits. For staff who are located outside their home market, additional benefits such as cost of living allowances and home leave passages are provided.

The Company had entered into a service agreement with our Chairman and CEO, Mr Lim Chung Chun for an initial term of 40 months commencing from 1 September 2014 (the "Initial Term"), subject to earlier termination. The Service Agreement has been renewed on 1 January 2018 for a further period of three years unless either party notifies in writing at least three months prior to the last day of the Initial Term.

Having reviewed and considered the variable components of the Chairman and CEO, Executive Directors (who are also key management personnel) and key management personnel (other than Executive Directors), the RC is of the view that there is appropriate measure to allow the Company to reclaim incentive components of remuneration in exceptional circumstances such as failure to uphold fair dealing guidelines issued by the Monetary Authority of Singapore ("MAS"). There are no contractual provisions to allow the Company to reclaim remuneration incentives from Chairman and CEO, Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Long-term Incentive Plans

Long-term incentive plans are intended to give the Company greater flexibility in tailoring reward and incentive packages for its Directors and employees ("Eligible Participants"), and aligning their interests with those of the Company's shareholders.

iFAST Corporation Performance Share Plan ("iFAST PSP") and iFAST Employee Share Option Schemes ("iFAST ESOS") are approved by the shareholders of the Company and administered by the RC. iFAST PSP and iFAST ESOS provide Eligible Participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

iFAST PSP allows the Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. iFAST PSP provides the Company with a flexible approach to provide performance incentives to Eligible Participants and, consequently, to improve performance and achieve sustainable growth for the Company in a fast-changing business environment and to foster greater ownership culture amongst key Management, senior executives and Non-Executive Directors. iFAST PSP is designed to reward Eligible Participants with awards comprising fully paid shares. iFAST ESOS allows the Company to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group while retaining key employees and Directors whose contributions are essential to the long-term growth and profitability of the Company and attract potential employees with relevant skills to contribute to the Group and to create value for shareholders. iFAST ESOS is designed to provide Eligible Participants with an opportunity to participate in the equity of the Company through grant of options.

The reason for having iFAST PSP in addition to the iFAST ESOS is to give the Company greater flexibility in structuring the compensation packages of Eligible Participants and providing an additional tool to motivate and retain staff members through the offering of compensation packages that are market competitive. The Company has the option to reward Eligible Participants with shares, or the equivalent in cash or a combination of both.

Award of bonuses and long-term incentive plans are based on a formula which takes into account the Group's profit and growth, individual job level multiplier, individual performance multiplier and individual workload multiplier.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

The Company has provided clear disclosure of remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, to enable our investors to understand the link between remuneration paid to the Directors and key management personnel and their performance.

Directors' Remuneration

The remuneration of the Directors for the financial year 2018 is set out below:

Name of Director	Fixed component $	Variable component $	Other benefits $	Directors' fees paid by Company $	Directors' fees paid by a subsidiary $	Performance shares entitled for current financial year $	Share options entitled for current financial year $	Total $
Lim Chung Chun[5]	317,340	-	9,213	-	-	-	330,783	657,336
Yao Chih Matthias	-	-	-	72,000	6,000	21,869	-	99,869
Ling Peng Meng[1]	-	-	-	14,400	1,800	-	-	16,200
Kok Chee Wai	-	-	-	59,000	6,000	17,934	-	82,934
Ng Loh Ken Peter	-	-	-	66,000	6,000	20,039	-	92,039
Toh Teng Peow David[2]	-	-	-	32,123	-	9,791	-	41,914
Lim Wee Kian	-	-	-	32,000	-	9,791	-	41,791
Low Huan Ping[3]	-	-	-	12,600	-	-	-	12,600
Janice Wu Sung Sung[4]	-	-	-	29,446	-	-	-	29,446
Goh Bing Yuan	215,901	47,355	5,388	-	-	133,253	-	401,897

Notes:

[1] The Directors' fee paid by the Company and a subsidiary to Mr Ling Peng Meng is pro-rated from 1 January 2018 to the date of retirement as Director on 18 April 2018.

[2] The Directors' fee paid and performance shares granted to Mr Toh Teng Peow David is pro-rated from the date of appointment as Director on 18 April 2018 to 31 December 2018.

[3] The Directors' fee paid to Mr Low Huan Ping, who retired as Director on 18 April 2018, is pro-rated from 1 January 2018 to the date of retirement as Director on 18 April 2018 and paid to SPH AsiaOne Ltd (now renamed as SPH Invest Ltd.)

[4] Ms Janice Wu Sung Sung's Directors' fee is pro-rated from the date of appointment as Director on 18 April 2018 to 31 December 2018 and paid to Singapore Press Holdings Ltd.

[5] The grant of share options entitled by Mr. Lim Chung Chun for the current financial year is subject to shareholders' approval at the forthcoming AGM to be held on 16 April 2019. Please refer to the Notice of AGM for more information

For financial year 2018, there were no termination, retirement and post-employment benefits granted to the Directors.

Corporate Governance Report

Remuneration of Key Management Personnel

The remuneration of the Group's key management personnel (excluding Executive Directors) for the financial year 2018, in bands of $100,000, is set out below. The Company discloses the below information using a narrower band of $100,000 to improve the transparency as compared to the $250,000 band stipulated in the Code.

	Fixed component %	Variable component %	Other benefits %	Performance shares entitled for current financial year %	Share options granted by a subsidiary %	Total %
Between $400,000 to $499,999						
Wong Soon Shyan	62.2	7.8	1.2	28.2	0.6	100.0
Lim Wee Kiong	62.6	7.9	1.1	28.4	-	100.0
Between $300,000 to $399,999						
Leung Fung Yat David	63.0	7.8	0.4	28.1	0.7	100.0
Dennis Tan Yik Kuan	65.3	7.5	0.5	26.7	-	100.0
Kelvin Yip Hok Yin	60.2	10.4	0.1	28.0	1.3	100.0

The Company's key management personnel (excluding Executive Directors) comprise of five Senior Management members who are responsible for planning, directing and controlling activities of the Company and its subsidiaries. The total remuneration paid to the top five key management personnel (excluding Directors), for the financial year ended 31 December 2018 was $1,978,247. For financial year 2018, there were no termination, retirement and post-employment benefits granted to the key management personnel.

The remuneration of employees who are immediate family members of a Director or CEO and whose remuneration exceeds $50,000 per year during the financial year 2018, is set out below:

Between $400,000 to $449,999	Current position	Family relationship with Director or CEO
Lim Wee Kiong	Managing Director of Platform Services Singapore and a Director of iFAST Financial Pte Ltd, a subsidiary of the Company	Brother of Mr Lim Wee Kian, a Director of the Company

Details of the iFAST PSP, iFAST ESOS and iFAST China ESOS can be found in the Directors' Statement of the Annual Report.

C. ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY

In discharging its duties to the shareholders, the Board seeks to provide shareholders with an analysis, explanation and assessment of the Group's performance, financial position and prospects when reporting quarterly and full year financial results. Press releases and presentation packs were released together with the financial results via SGXNET. The Company aims to present a balanced and clear assessment of the Company's performance when communicating and disseminating its financial results.

The Management currently provides the Board with appropriately detailed management reports of the Group's performance and position at every Board meeting and on a monthly basis. This enables the Board to make a balanced and informed assessment of the Company's performance and prospects. At each Board meeting, the Management provides regulatory update on Singapore, Hong Kong, Malaysia, China and India, markets where the Company's subsidiaries and associates operate in. Representatives from the respective countries are invited to attend Board meetings and present their report to the Board. They could learn from peers in other jurisdictions and benefit from the knowledge sharing.

The Board takes adequate steps to ensure the Group's compliance with legislative and regulatory requirements.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board Risk Committee ("BRC") is established to assist the Board in discharging its responsibilities of maintaining an effective system of risk management and internal controls to safeguard shareholders' interest and the Company's assets.

The BRC comprises:
Mr Yao Chih Matthias (Chairman)
Mr Ng Loh Ken Peter (Member)
Mr Toh Teng Peow David (Member)
Mr Goh Bing Yuan (Member)
Mr Lim Chung Chun (Member)

The BRC, which has written terms of reference approved by the Board, meets at least twice per year or as and when circumstances or events merit it. The functions of the BRC are set out below:

(i) Advise the Board on the Company's overall risk exposure and strategy;
(ii) Oversee and advise the Board on the current risk exposures and future risk strategy of the Company;
(iii) In relation to risk assessment:
    (a) Keep under review the Company's overall risk assessment processes that communicate the Board's decision making;
    (b) Review regularly and approve the parameters used in these measures and the methodology adopted; and
    (c) Set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
(iv) Review the Company's capability to identify and manage new risk types;
(v) Before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;
(vi) Review reports on any material breaches of risk limits and the adequacy of proposed action;
(vii) Review (jointly with the AC) the adequacy and effectiveness of the Company's internal controls and risk management systems and review and approve the statements to be included in the Annual Report concerning the adequacy and effectiveness of the Company's internal control and risk management systems;
(viii) Provide advice to the RC on risk weightings to be applied to performance objectives incorporated in executive remuneration;
(ix) Review (jointly with the AC) the Company's procedures for detecting fraud, including the whistle-blowing policy. The BRC shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action;
(x) Monitor the independence of risk management functions throughout the Company;
(xi) Review promptly all relevant risk reports on the Company; and
(xii) Review and monitor the Management's responsiveness to the BRC's findings.

During the year, the BRC has reviewed risk assessments of new projects and internal controls addressing financial, operational, compliance and information technology. The BRC also discussed the key risks at each meeting. Minutes of the BRC is furnished to the Board after each meeting.

The BRC is supported by the Management Risk Committee ("MRC") in the identification, assessment, mitigation and monitoring of risks relating to the Group's businesses. The MRC reports to the BRC and is chaired by Mr Wong Soon Shyan as the Chief Risk Officer ("CRO"). Mr Wong Soon Shyan is also the Group Chief Operating Officer ("COO").

For the financial year ended 31 December 2018, the Board has received the following written assurance from the CEO, CRO and Chief Financial Officer ("CFO") that:

(i) Financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(ii) The Group's risk management and internal controls systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

The Board is satisfied with the adequacy and effectiveness of the Group's internal control addressing financial, operational, information technology and compliance and risk management systems. The Company's internal controls (including financial, operational, information technology and compliance) and risk management systems were adequate and effective based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, reviews performed by the Management, various Board Committees and Board and assurances received from the Management, BRC and AC. The AC and BRC concurred with the Board's comments as aforementioned.

Corporate Governance Report

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board and Management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

PRINCIPLE 12: AUDIT COMMITTEE

Our Audit Committee ("AC") comprises the following members, which consist of both Independent Directors and Non-Independent Non-Executive Director:
Mr Ng Loh Ken Peter (Chairman)
Mr Kok Chee Wai (Member)
Mr Yao Chih Matthias (Member)
Ms Janice Wu Sung Sung (Member)

The Board is of the view that the members of the AC have relevant accounting or related financial management expertise or experience to discharge their responsibilities.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Our AC has written terms of reference and will meet at least four times a year (to coincide with key dates in the Company's financial reporting cycle). The functions of the AC are set out below:

(i) Monitor the integrity of the financial information provided by the Company and any announcements relating to the Company's financial performance;

(ii) Review all interim and annual financial statements before submission to the Board for approval, paying particular attention to:
  - (a) Critical accounting policies and practices, and any changes in them;
  - (b) Decisions requiring a significant element of judgement, the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
  - (c) Clarity of disclosures;
  - (d) Significant adjustments resulting from the audit;
  - (e) Going concern assumption;
  - (f) Compliance with stock exchange and other legal requirements;
  - (g) Significant financial reporting issues with both the Management and the external auditor; and
  - (h) Other topics at the request of the Board.

(iii) Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;

(iv) Monitor and assess the role and effectiveness of the Company's internal audit function; ensure that the internal audit function is adequately resourced and skilled in line with the Company's nature, size, and complexity;

(v) Review the internal audit program and receiving the internal audit reports, monitoring the responses to their findings to ensure that appropriate follow-up measures are taken;

(vi) Review with the external auditors their audit plan, their evaluation of the system of internal accounting controls, their audit report, their Management letter and the Management's response;

(vii) Review the independence and objectivity of the external auditors while keeping the nature and extent of non-audit services provided by the external auditors under review to ensure the external auditor's independence or objectivity is not impaired;

(viii) Discuss with external auditors in respect of any issues regarding fraud and irregularities;

(ix) Ensure that the external auditors have direct and unrestricted access to the Chairman of the AC and the Chairman of the Board; and

(x) Review and recommend for the Board's approval, all Interested Person Transactions, as specified under Chapter 9 of the SGX-ST Listing Manual.

In the course of 2018, the AC has carried out activities relating to the aforementioned functions and other reviews as and when required by regulators.

During the financial year, the AC has reviewed the scope and quality of the audits and the independence and objectivity of the external auditors as well as the cost effectiveness. The AC is satisfied that the external auditors, Messrs KPMG LLP is able to meet the audit requirements and statutory obligation of the Company. The AC reviewed all audit and non-audit fees provided by the external auditors, Messrs KPMG LLP during the year. The fees paid to the auditors in respect of audit and non-audit services for the financial year 2018 are stated in the notes to the financial statements. The AC is satisfied with the independence and objectivity of Messrs KPMG LLP as external auditors of the Company. The AC has recommended the re-appointment of Messrs KPMG LLP as external auditors of the Company at the forthcoming AGM.

The Board and AC are satisfied that the appointment of different auditors for certain of its subsidiaries would not compromise the standard and effectiveness of the audit of the Company. The Company is in compliance with Rules 712, 715 and 716 of the Listing Rules of the SGX-ST.

The AC met with the internal and external auditors, without the presence of Management at least once annually. During the year, the AC had discussions with the internal auditor and external auditors without the presence of Management.

In addition to the activities undertaken to fulfill its responsibility, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements. Minutes of the AC is furnished to the Board after each meeting.

None of the members nor the Chairman of the AC are former partners or Directors of the firms acting as the Group's external auditors.

The AC agreed that the Key Audit matters ("KAM") highlighted by the external auditors were appropriate areas to focus on. The AC examined the findings on these and other areas together with the external auditors, internal auditors and Management. In each of the KAM, the AC reviewed and accepted the judgmental assumptions made, models used, and accounting treatments adopted by the Management. The AC concurred with the external auditors regarding the KAM.

Whistle-Blowing Policy

The Company has established a whistle-blowing policy (the "Policy") as an avenue for employees and external parties to raise concerns about possible improprieties in matters of financial reporting or other matters and offer reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith. The Policy encourages employees to raise concerns, in confidence, about possible irregularities. All complaints should be made to the Lead Independent Director, Chairman of AC or CEO directly, in which case the CEO will report the complaints received to the Lead Independent Director and Chairman of AC without delay. The Lead Independent Director, Chairman of AC or CEO will forward the complaints to the Company Secretary for record purposes.

The Group has a well-defined process which ensures independent investigation of such matters and the assurance that employees will be protected from reprisals, within the limits of the law.

The Policy applies to all employees of the Group and will be publicised to the employees annually and communicated to every new employee upon joining the Company.

PRINCIPLE 13: INTERNAL AUDIT

The Group's Internal Audit Department ("IAD") reports directly to the Chairman of the AC on audit matters, and to the CEO on administrative matters. The AC approves the hiring, removal, evaluation and compensation of the IAD. The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function. The IAD has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The Group's IAD carries out its function in accordance to the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the year, the AC reviewed the scope and results of internal controls addressing operations, financial, compliance and information technology controls relating to the Group based on the approved Internal Audit Plan. The findings and results of the IAD were discussed in detail at the AC meetings. The IAD continuously review the Internal Audit Plan to ensure the needs of the Group are met and align to the changing risk profiles of the Group's activities.

The AC reviews the adequacy and effectiveness of the internal audit function on an on-going basis. The AC is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Company. The internal audit function is independent of the activities it audits. The AC is also satisfied that the IAD is staffed by suitably qualified and experienced personnel.

Corporate Governance Report

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14: SHAREHOLDER RIGHTS

The Company continually reviews and updates its governance arrangements to recognise, protect and facilitate the exercise of shareholders' rights and to ensure all shareholders, investors and public are treated fairly and equitably. All material information affecting the Company is promptly and adequately disclosed via SGXNET. All shareholders are accorded their rights in accordance with the Companies Act and the Company's Constitution.

Shareholders of the Company have the opportunity to participate effectively in and vote at general meetings of shareholders by poll. A shareholder who is a relevant intermediary (as defined in the Companies Act, Chapter 50 of Singapore) can appoint more than two proxies to attend the AGM. Shareholders of the Company are informed of the rules, including voting procedures that govern general meetings of shareholders.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

The Company believes that the shareholders have the right to be sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

The Company values transparency and timeliness in its communications with the investing community. In compliance with SGX-ST guidelines to ensure shareholders are kept informed of the Company's developments and updates, the Company discloses information via the SGXNET in a timely and transparent manner to ensure shareholders are kept informed of the Company's developments and updates.

The Company responds in a timely and transparent manner when it comes to enquiries from analysts, fund managers, media, shareholders of the Company and the public. Price-sensitive information is first publicly released via SGXNET before any disclosure to any group of investors or analysts. All analysts' briefing presentation decks and press releases are released to the public via SGXNET. The Company's Corporate Communications department is responsible for matters relating to investor relations such as presentation of the presentation decks and press releases.

The Company's website at www.ifastcorp.com is also a key resource of information to shareholders. Amongst other things, it contains corporate announcements, media releases, financial results, presentations, annual reports and the Investor Relations Policy. The Company holds regular investor briefings, inviting analysts, fund managers, both mainstream and non-mainstream media, investment bloggers and shareholders of the Company, after the release of its financial results, in an effort to establish high standards of engagement and communication with its shareholders and the investment community, to provide them with greater insights on the Company's performance, developments and future plans. The presentations, if any, will be filmed and uploaded to the Investor Relations section on the Company's website, and made accessible to any interested investors.

The Company disseminates information on its general meetings through notices in its Annual Reports or Letters/Circulars to Shareholders. All shareholders of the Company will receive the notice of Annual General Meeting ("AGM"), proxy form and request form to request for hard copy Annual Report and/or Letter/ Circular to Shareholders. Annual Reports and Letters/Circulars are posted on the Company's website and sent to the shareholders upon request. The notices are also released via SGXNET and published in the local press.

Prospective investors are able to contact the Company via the Investor Relations email address listed in the Company's website, where the Corporate Communications team will be responsible to act upon their requests. The team also participates in investor conferences attended by both retail and institutional investors. The Board encourages the Management and the Corporate Communications team to provide the Board with updates pertaining to the common questions posed by investors.

The Directors had proposed a final dividend of 0.90 cents per ordinary share in 2018, subject to shareholders' approval at the forthcoming AGM. If approved by shareholders at the AGM, the Group's dividend payout in 2018 is about 76.9% of the Group's net profit.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

The Company supports and encourages active shareholder participation at general meetings for shareholders, which allows shareholders the opportunity to communicate their views on various matters affecting the Company. The general meetings are held in a central location in Singapore to ensure convenient access for shareholders. At general meetings, separate resolutions on each separate issue will be tabled for approval by shareholders.

Shareholders have the opportunity to participate effectively in and vote at general meeting of shareholders. For greater transparency, the Company has implemented electronic poll voting since its AGM in 2018. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. All resolutions are voted by electronic poll voting in the presence of independent scrutineers and the detailed results of all votes cast for, or against each resolution are then screened at the meeting and released to the public via SGXNET after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM. As the present Constitution of the Company does not have a provision to allow shareholders to vote in absentia, via methods such as e-mail, fax, etc., and the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until an appropriate time. The AGM provides a channel for shareholders to interact with the Company's Board of Directors and Senior Management. The members of the Board and Board Committees attends the AGM to meet shareholders and answer any queries that the shareholders may have. Except for the two Directors who retired at the AGM, all Directors attended the AGM held on 18 April 2018. Senior Management, External Auditors and Internal Auditor were also present. Minutes of general meetings include substantial comments or queries from shareholders and responses from the Board and Management relating to the agenda of the meeting. These minutes are made available to shareholders upon their request.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has in place a policy to provide guidance regarding share dealings by the Company, its Directors and officers, including employees who have access to price-sensitive information. The Company, its Directors and officers, including employees who have access to price-sensitive information, are not to deal with the Company's securities on short-term considerations and during the two weeks before the announcement of the Group's financial statements for the first three quarters of its financial year and one month before the announcement of the Group's full year financial statements, and ending on the date of announcement of the relevant results. The Company, its Directors and officers, including employees who have access to price-sensitive information, are expected to observe insider trading laws at all times.

Interested Party Transactions

[Listing Manual, Rule 907]

All interested person transactions ("IPT") will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company.

The Company does not have a general shareholders' mandate for recurrent IPT.

There were no interested person transactions entered into by the Group in excess of $100,000 during the financial year under review.

Material Contracts

Save for the Service Agreement between the Chairman and CEO and the Company, there were no material contracts entered into by the Company and its subsidiaries involving the interest of any Director or controlling shareholders, which are subsisting at the end of the financial year ended 31 December 2018.

Corporate Governance Report

Use of IPO Proceeds

The Company refers to the net proceeds of $48.0 million (excluding share issuance expenses of $2.4 million and IPO-related expenses of $1.95 million) raised from the IPO on the SGX-ST on 11 December 2014 and the Company's reallocation of the net IPO proceeds announced on 27 October 2018. The following table sets out our use of the net IPO proceeds up to 31 December 2018.

Use of net proceeds	Allocation of IPO proceeds	Amount reallocated on 26 October 2018	IPO proceeds utilised as at 31 December 2018	Balance of IPO 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	11.6	4.4
Working capital purposes	5.8	5.8	5.8[2]	-
Net Proceeds	48.0[1]	48.0	35.7	12.3

Notes:
[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 $12.3 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.

Directors' Statement & Financial Statements

iFAST

iFAST CORPORATION LTD.
AND ITS SUBSIDIARIES

Registration Number: 200007899C

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Directors' Statement

YEAR ENDED 31 DECEMBER 2018

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2018.

In our opinion:

(a) the financial statements set out on pages 98 to177 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

The Directors in office at the date of this statement, including the Directors in office at the end of the financial year, are as follows:

Lim Chung Chun	
Yao Chih Matthias	
Kok Chee Wai	
Ng Loh Ken Peter	
Toh Teng Peow David	(Appointed on 18 April 2018)
Janice Wu Sung Sung	(Appointed on 18 April 2018)
Lim Wee Kian	
Goh Bing Yuan	(Appointed on 2 January 2018)

DIRECTORS' INTERESTS

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

	Holdings in the name of Director			Holdings in which Director is deemed to have an interest			
Name of Director and corporation in which interests are held	At beginning of the year/ date of appointment	At end of the year	At 21 January 2019	At beginning of the year/ date of appointment	At end of the year	At 21 January 2019	Note
iFAST Corporation Ltd.							
Lim Chung Chun	45,558,164	41,058,164	41,058,164	13,679,380	18,214,280	18,214,280	(1)
Yao Chih Matthias	–	–	–	218,300	234,900	234,900	(2)
Kok Chee Wai	1,288,428	1,288,428	1,288,428	124,400	138,100	138,100	(2)
Ng Loh Ken Peter	–	–	–	253,900	269,100	269,100	(2)

	Holdings in the name of Director			Holdings in which Director is deemed to have an interest			
Name of Director and corporation in which interests are held	**At beginning of the year/ date of appointment**	**At end of the year**	**At 21 January 2019**	**At beginning of the year/ date of appointment**	**At end of the year**	**At 21 January 2019**	**Note**
iFAST Corporation Ltd.							
Toh Teng Peow David	51,010	51,010	51,010	146,400	146,400	146,400	–
Janice Wu Sung Sung	60,000	60,000	60,000	–	–	–	–
Lim Wee Kian	17,297,820	16,305,220	16,305,220	3,031,800	4,031,800	4,031,800	(3)
Goh Bing Yuan	543,152	543,152	543,152	35,700	100,000	100,000	(2)

Notes

(1) Lim Chung Chun is deemed to have an interest in the Company's shares held by his spouse, Accretion Investments Pte. Ltd., RHB Bank Nominees Pte. Ltd, OCBC Securities Private Ltd. and iFAST Financial Pte. Ltd. (Depository Agent)

(2) Yao Chih Matthias, Kok Chee Wai, Ng Loh Ken Peter and Goh Bing Yuan are deemed to have interests in the Company's shares held by iFAST Financial Pte. Ltd. (Depository Agent)

(3) Lim Wee Kian is deemed to have an interest in the Company's shares held by DBS Nominees Pte. Ltd.

				Options to subscribe for ordinary shares held in the name of Director		
Name of Director and corporation in which interests are held	**Date of grant**	**Expiration date**	**Exercise price per share**	**At beginning of the year/ date of appointment**	**At end of the year**	**At 21 January 2019**
iFAST Corporation Ltd.						
Lim Chung Chun	21 August 2014	20 August 2024	$0.63	300,000	300,000	300,000
Lim Wee Kian	1 April 2014	31 March 2024	$0.60	120,000	120,000	120,000
Goh Bing Yuan	1 July 2013	30 June 2023	$0.42	70,000	47,500	47,500
	1 April 2014	31 March 2024	$0.60	60,000	60,000	60,000

			Performance shares held in the name of Director		
Name of Director and corporation in which interests are held	**Date of grant**	**Price per share**	**At beginning of the year/ date of appointment**	**At end of the year**	**At 21 January 2019**
iFAST Corporation Ltd.					
Lim Chung Chun	1 May 2016	$1.210	104,600	69,700	69,700
Yao Chih Matthias	1 May 2015	$1.365	10,600	–	–
	1 May 2016	$1.210	17,800	11,800	11,800
	1 May 2017	$0.715	34,500	34,500	34,500
	1 May 2018	$0.915	–	23,900	23,900
Kok Chee Wai	1 May 2015	$1.365	8,800	–	–
	1 May 2016	$1.210	14,600	9,700	9,700
	1 May 2017	$0.715	28,300	28,300	28,300
	1 May 2018	$0.915	–	19,600	19,600
Ng Loh Ken Peter	1 May 2015	$1.365	9,700	–	–
	1 May 2016	$1.210	16,300	10,800	10,800
	1 May 2017	$0.715	31,600	31,600	31,600
	1 May 2018	$0.915	–	21,900	21,900

Directors' Statement

YEAR ENDED 31 DECEMBER 2018

Name of Director and corporation in which interests are held	Date of grant	Price per share	Performance shares held in the name of Director: At beginning of the year/ date of appointment	At end of the year	At 21 January 2019
iFAST Corporation Ltd.					
Toh Teng Peow David	1 May 2018	$0.915	–	10,700	10,700
Lim Wee Kian	1 May 2015	$1.365	4,700	–	–
	1 May 2016	$1.210	8,000	5,300	5,300
	1 May 2017	$0.715	15,400	15,400	15,400
	1 May 2018	$0.915	–	10,700	10,700
Goh Bing Yuan	1 March 2015	$1.370	31,400	–	–
	1 March 2016	$1.275	31,200	20,800	20,800
	1 April 2017	$0.715	48,200	48,200	48,200
	1 March 2018	$0.910	–	106,400	106,400

By virtue of Section 7 of the Act, Lim Chung Chun is deemed to have interests in the subsidiaries and associates of iFAST Corporation Ltd., at the beginning and at the end of the financial year.

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

Except as disclosed under the "share-based incentive plans" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE-BASED INCENTIVE PLANS

SHARE-BASED INCENTIVE PLANS OF THE COMPANY

Performance Share Plan

The iFAST Corporation Performance Share Plan (the "PSP") was approved by the shareholders on 21 October 2014 prior to the Company's listing on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 11 December 2014.

The PSP is administered by the Remuneration Committee (the "RC") comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

Other information regarding the PSP are set out below:

- those eligible to participate in the PSP comprise Executive Directors and confirmed employees of the Company, its subsidiaries and its associated companies, who have attained the age of twenty-one years as of the award date, and who hold such rank as may be designated by our RC from time to time, and Non-Executive Directors (including the Independent Directors) of the Company and its subsidiaries.
- awards represent the right of a participant to receive fully paid shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period. A participant's award under the PSP will be determined at the discretion of the RC.
- the total number of shares which may be issued or transferred pursuant to awards granted under the PSP, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) from time to time.

- the total number of shares over which awards may be granted under the PSP to controlling shareholders and their associates shall not exceed 25% of the shares available under the PSP, and the number of shares over which an award may be granted under the PSP to each controlling shareholder or his associate shall not exceed 10% of the shares available under the PSP.
- the PSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing on 21 October 2014, provided always that the PSP may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.
- notwithstanding the expiry or termination of the PSP, any awards made to participants prior to such expiry or termination will continue to remain valid.

At the end of the financial year, details of the performance shares granted under the PSP on the unissued ordinary shares of the Company are as follows:

Date of grant of performance shares	Price per share	Performance shares outstanding at 1 January 2018	Performance shares granted	Performance shares vested	Performance shares forfeited	Performance shares outstanding at 31 December 2018	Number of performance share holders at 31 December 2018
1 March 2015	$1.370	978,900	–	978,500	400	–	–
1 May 2015	$1.365	46,900	–	46,900	–	–	–
1 March 2016	$1.275	1,095,000	–	368,800	21,900	704,300	124
1 May 2016	$1.210	173,200	–	58,000	–	115,200	6
1 April 2017	$0.715	1,741,000	–	–	71,000	1,670,000	160
1 May 2017	$0.715	132,800	–	–	–	132,800	5
1 March 2018	$0.910	–	3,785,800	–	105,400	3,680,400	220
1 May 2018	$0.915	–	91,600	–	–	91,600	6
		4,167,800	3,877,400	1,452,200	198,700	6,394,300	

Details of performance shares granted to Directors of the Company under the share-based incentive plans are as follows:

Name of Director	Total number of Shares comprised in Awards under the PSP issued during financial year ended 31 December 2018	Aggregate number of Shares comprised in Awards issued since commencement of the PSP to 31 December 2018	Aggregate number of Shares comprised in Awards vested since commencement of the PSP to 31 December 2018	Aggregate number of Shares comprised in Awards which have not been vested as at 31 December 2018
Lim Chung Chun	–	104,600	34,900	69,700
Yao Chih Matthias	23,900	92,100	21,900	70,200
Kok Chee Wai	19,600	75,700	18,100	57,600
Ng Loh Ken Peter	21,900	84,400	20,100	64,300
Toh Teng Peow David	10,700	10,700	–	10,700
Lim Wee Kian	10,700	41,200	9,800	31,400
Goh Bing Yuan	106,400	232,900	57,500	175,400

Directors' Statement

YEAR ENDED 31 DECEMBER 2018

Employee Share Option Scheme

The iFAST Employee Share Option Scheme (the "ESOS") was approved by the shareholders on 21 October 2014 prior to the Company's listing on the SGX-ST on 11 December 2014.

The ESOS is administered by the RC comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

Other information regarding the ESOS are set out below:

- those eligible to participate in the ESOS comprise Executive Directors and confirmed employees of the Company, its subsidiaries and its associated companies, and Non-Executive Directors (including the Independent Directors).
- there are no fixed periods for the grant of options and the offers of the grant of options may be made at any time from time to time at the discretion of the RC.
- subject to the provisions of the ESOS, options granted under the ESOS will have a life span of 10 years for options granted to Group employees (other than Non-Executive Directors and/or employees of associated companies) and 5 years for options granted to Non-Executive Directors and/or employees of associated companies.
- the aggregate number of shares over which the RC may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share scheme of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made. The exercise price of an option may, at the discretion of the RC, be set at a discount subject to the maximum discount of 20% of the average of the last dealt prices for a share for 5 consecutive market days immediately prior to the date of grant of the option.
- the total number of shares over which options may be granted under the ESOS to controlling shareholders and their associates shall not exceed 25% of the shares available under the ESOS, and the number of shares over which an option may be granted under the ESOS to each controlling shareholder or his associate shall not exceed 10% of the shares available under the ESOS.
- the ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- shares arising from the exercise of options are subject to the provisions of the Memorandum of Association and Articles of the Company. Shares allotted and issued, and existing shares procured by the Company for transfer, upon the exercise of an option shall rank *pari passu* in all respects with the then existing issued shares.

At the end of the financial year, no options have been granted under the ESOS.

Share Option Scheme 2013

The iFAST 2013 Share Option Scheme (the "2013 Scheme") of the Company was approved and adopted by the shareholders at an Annual General Meeting held on 23 May 2013. The amendments to the 2013 Scheme were passed by the shareholders at an Extraordinary General Meeting held on 20 August 2014.

Upon listing of the Company's shares on SGX-ST on 11 December 2014, the 2013 Scheme was terminated. This will not affect all options remaining unexercised.

The 2013 Scheme is administered by the RC comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

Other information regarding the 2013 Scheme are set out below:

- those eligible to participate in the 2013 Scheme comprise confirmed full-time executives, including Directors and a controlling shareholder and his associates, who have been employed by the Company, its subsidiaries and its associated companies in the absolute discretion of the RC.
- the 2013 Scheme will continue in operation at the discretion of the RC, subject to a maximum period of 10 years commencing on 23 May 2013, provided that the 2013 Scheme may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolutions in general meeting.

At the end of the financial year, details of the options granted under the 2013 Scheme on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2018	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2018	Number of option holders at 31 December 2018	Date of expiration
1 July 2013	$0.42	1,809,062	–	297,800	–	1,511,262	29	30 June 2023
1 April 2014	$0.60	2,388,039	–	467,861	–	1,920,178	63	31 March 2024
21 August 2014	$0.63	300,000	–	–	–	300,000	1	20 August 2024
		4,497,101	–	765,661	–	3,731,440		

Share Option Scheme 2003

The iFAST Share Option Scheme (the "2003 Scheme") of the Company was approved and adopted by the shareholders at an Extraordinary General Meeting held on 28 March 2003.

The 2003 Scheme was terminated on 23 May 2013 by a resolution passed by the shareholders at an Annual General Meeting. This will not affect all options remaining unexercised.

The 2003 Scheme is administered by the RC comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

Other information regarding the 2003 Scheme are set out below:

- those eligible to participate in the 2003 Scheme comprise confirmed full-time executives, including Directors, who have been employed by the Company and/or its subsidiaries for a continuous period of at least six months and any Non-Executive Directors and consultants of the Company and/or its subsidiaries who, in the absolute discretion of the RC, are selected to participate in the 2003 Scheme.
- subject to the provisions in the rules of the 2003 Scheme, the option granted expires on (i) (in the case of executives) the day preceding the tenth anniversary of the date of the grant of the option or (ii) (in the case of Non-Executive Directors and consultants) the day preceding the fifth anniversary of the date of the grant of the option.
- the options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

At the end of the financial year, details of the options granted under the 2003 Scheme on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2018	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2018	Number of option holders at 31 December 2018	Date of expiration
1 July 2009	$0.27	37,500	–	–	–	37,500	1	30 June 2019
1 July 2010	$0.40	134,000	–	50,000	–	84,000	2	30 June 2020
		171,500	–	50,000	–	121,500		

Directors' Statement

YEAR ENDED 31 DECEMBER 2018

Details of options granted to Directors of the Company under the 2013 Scheme are as follows:

Name of Director	Options granted for financial year ended 31 December 2018	Aggregate options granted since commencement of 2013 Scheme to 31 December 2018	Aggregate options exercised since commencement of 2013 Scheme to 31 December 2018	Aggregate options outstanding as at 31 December 2018
Lim Chung Chun	–	900,000	600,000	300,000
Yao Chih Matthias	–	120,000	120,000	–
Kok Chee Wai	–	120,000	120,000	–
Ng Loh Ken Peter	–	120,000	120,000	–
Lim Wee Kian	–	360,000	240,000	120,000
Goh Bing Yuan	–	217,500	110,000	107,500

Except as disclosed above, there were no unissued shares of the Company under performance shares or options granted by the Company as at the end of the financial year.

Except as disclosed above, there were no participants who receive 5% or more of the total number of performance shares or options available under the respective share-based incentive plans.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

SHARE-BASED INCENTIVE PLAN OF A SUBSIDIARY

iFAST China 2017 Employee Share Option Scheme

The iFAST China 2017 Employee Share Option Scheme (the "iFAST China 2017 ESOS") was approved by the shareholders of iFAST China Holdings Pte. Ltd., a subsidiary of the Company, on 31 March 2017.

At the end of the financial year, details of the options granted under the iFAST China 2017 ESOS on the unissued ordinary shares of iFAST China Holdings Pte. Ltd. are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2018	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2018	Number of option holders at 31 December 2018	Date of expiration
1 April 2017	$0.31	21,013,600	–	–	1,098,500	19,915,100	29	31 March 2027
1 August 2018	$0.31	–	6,197,200	–	144,300	6,052,900	38	31 July 2028
		21,013,600	6,197,200	–	1,242,800	25,968,000		

No options are granted to Directors of the Company under the iFAST China 2017 ESOS.

AUDIT COMMITTEE

The members of the Audit Committee (the "AC") during the year and at the date of this statement are:

- Ng Loh Ken Peter (Chairman), Independent Director
- Kok Chee Wai, Independent Director
- Yao Chih Matthias, Independent Director
- Janice Wu Sung Sung, Non-Independent Non-Executive Director

The AC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

In performing its functions, the AC met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The AC also reviewed the following:

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

The AC has full access to Management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or Executive Director to attend its meetings. The AC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

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

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712, 715 and 716 of the SGX Listing Manual.

AUDITORS

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

On behalf of the Board of Directors

Lim Chung Chun
Director

Lim Wee Kian
Director

22 March 2019

Independent Auditors' Report

Members of the Company
iFAST Corporation Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of iFAST Corporation Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2018, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements including a summary of significant accounting policies as set out on pages 98 to 177.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

(Refer to Note 18 to the financial statements)

The Key Audit matter	***How the matter was addressed in our audit***
The Group is in the business of distribution of investment products and administration platform provider, where Asset under Administration ("AUA") is a key indicator used to measure performance. AUA refers to the value of investments administered by the Group, and a significant portion of the Group's revenues comprise fees calculated based on a percentage of AUA. The calculation of the Group's revenue is dependent on the completeness and accuracy of the AUA report which is generated from its proprietary IT system. In addition, revenue for the year is inclusive of accrued revenue where services have been rendered but not billed. The AUA report is used to compute the accrued revenue. The calculation of accrued revenue involves judgement and is an area of presumed fraud risk.	We obtained an understanding of the revenue cycle, including the process of recording the AUA. We involved our technology specialists to evaluate the general IT environment and the relevant IT system application controls. We tested the operating effectiveness of the internal controls over the recording of AUA in the IT system. Specifically, we tested the access controls over amendments to the AUA recording and reporting parameters. We also traced, on a sample basis, the AUA values from the IT system to the AUA report, to determine the completeness and accuracy of the AUA report. We evaluated the basis of Management's methodology and assumptions used by Management for accrued revenue as of 31 December 2018. We found the methodology and assumptions to be consistent with prior periods. We also compared the actual invoices issued subsequent to the current financial year end to the accrued amounts, where these were available, and found no material differences. We found the Management's assumptions on accrued revenue to be balanced and no significant variances were noted between the actual invoice amounts, where available, and the accrued revenue.

CAPITALISATION AND VALUATION OF IT DEVELOPMENT COSTS AS INTANGIBLE ASSETS
(Refer to Note 5 to the financial statements)

The Key Audit matter	***How the matter was addressed in our audit***
The Group develops its in-house IT systems for the trading platform for customers' access to its services and capitalises the related development costs. The determination of the costs to be capitalised, in accordance with the relevant accounting standards, can be complex and prone to error. These development costs are capitalised as intangible assets and are subjected to impairment assessment, which involves significant judgement.	We assessed the Group's policy on capitalisation of development costs to be appropriate and in compliance with SFRS(I)s. We evaluated the basis and process adopted by the Group to determine the development costs to be capitalised. We checked and made enquiries on the validity for inclusion of certain costs to the capitalised costs schedule and performed a reasonableness test on the relevant costs. In addition, we agreed selected samples of invoices and employee time records to the capitalised costs schedule and assessed the nature of these costs are directly attributable to the development of the IT systems for capitalisation in accordance with the relevant accounting standards. Our testing did not result in the identification of significant costs that do not meet the capitalisation criteria under the relevant SFRS(I)s. We also reviewed the impairment assessment on the intangible assets and did not note any indicator of impairment.

VALUATION OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES
(Refer to Note 6 and Note 7 to the financial statements)

The Key Audit matter	***How the matter was addressed in our audit***
Certain subsidiaries and associates are in their initial growth phase. Cash flow projections with a set of assumptions that require significant judgements are prepared by the Management to determine if there is any impairment of the Company's investments in subsidiaries and associates.	We evaluated Management's cash flow forecasts, including testing the underlying calculations and compared them to the budgets approved by the Board. We challenged the appropriateness of the key assumptions in the impairment test (including the cash flow forecasts, long term growth rates and discount rate). We also identified and analysed changes in assumptions from prior periods and compared the assumptions with publicly available data, where these are available. We performed sensitivity analysis on the key assumptions in deriving the value-in-use of the investments in subsidiaries and associates, and considered the appropriateness of the related disclosures in the financial statements. We found the assumptions and resulting valuation estimates to be balanced.

VALUATION OF OTHER INVESTMENTS
(Refer to Note 9 to the financial statements)

The Key Audit matter	***How the matter was addressed in our audit***
The Group's other investments are made up of quoted bonds, fixed income funds and exchange traded funds as well as unquoted equity securities. Under SFRS(I) 9, the Group reassessed the classification of its financial assets by conducting business model test and solely payment of principal and interest ("SPPI") test. Following these tests to comply with the requirements of SFRS(I) 9, the Group reclassified these financial assets as either carried at fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). The impact of reclassification is disclosed in Note 28 of the financial statements.	We assessed the Group's policy on classification and measurement of the financial assets to be appropriate and in compliance with SFRS(I) 9. We have tested the valuations of these investments to relevant supporting information and compared them to the fair values recognized at 31 December 2018, with no significant exceptions noted.

Independent Auditors' Report

Members of the Company
iFAST Corporation Ltd.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditors' report is Goh Kim Chuah.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 March 2019

Statements of Financial Position

AS AT 31 DECEMBER 2018

		Group			Company		
	Notes	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Assets							
Plant and equipment	4	3,254,652	2,307,883	2,187,236	107,321	65,650	51,672
Intangible assets and goodwill	5	17,859,655	13,622,408	10,374,511	14,387,030	10,720,259	7,366,636
Subsidiaries	6	–	–	–	50,665,053	50,089,909	48,312,515
Associates	7	2,950,878	1,615,885	1,829,085	2,853,508	2,017,160	2,017,185
Other investments	9	5,062,429	3,848,832	–	972,171	783,140	–
Deferred tax assets	14	986,919	542,020	–	–	–	–
Prepayments and others	10	218,038	346,352	313,647	11,429	11,429	11,429
Total non-current assets		30,332,571	22,283,380	14,704,479	68,996,512	63,687,547	57,759,437
Current tax receivable		1,698	33,774	79,650	–	–	–
Other investments	9	24,115,753	22,412,683	32,127,452	16,115,759	22,412,683	32,127,452
Uncompleted contracts-buyers		10,958,157	9,055,702	–	–	–	–
Trade and other receivables	8	30,011,420	28,135,134	24,090,955	60,971,028	7,772,779	2,135,174
Prepayments and others	10	1,262,167	1,315,084	1,661,804	22,035	25,947	93,535
Money market funds	11	640,372	2,618,956	1,489,846	–	–	–
Cash at bank and in hand	11	60,660,964	30,879,533	20,973,829	4,155,877	8,452,278	3,594,802
Total current assets		127,650,531	94,450,866	80,423,536	81,264,699	38,663,687	37,950,963
Held under trust							
Client bank accounts	12	312,635,066	275,461,259	156,077,834	–	–	–
Client ledger balances	12	(312,635,066)	(275,461,259)	(156,077,834)	–	–	–
		–	–	–	–	–	–
Total assets		157,983,102	116,734,246	95,128,015	150,261,211	102,351,234	95,710,400
Equity							
Share capital	13	65,969,318	65,544,511	64,147,569	65,969,318	65,544,511	64,147,569
Reserves	13	19,594,934	15,691,017	14,298,131	18,290,113	21,554,920	16,040,297
Equity attributable to owners of the Company		85,564,252	81,235,528	78,445,700	84,259,431	87,099,431	80,187,866
Non-controlling interests		(209,423)	17,401	150,052	–	–	–
Total equity		85,354,829	81,252,929	78,595,752	84,259,431	87,099,431	80,187,866
Liabilities							
Deferred tax liabilities	14	1,587,902	1,195,349	481,809	1,272,230	930,034	196,402
Finance lease liabilities	16	7,591	13,437	18,789	–	–	–
Total non-current liabilities		1,595,493	1,208,786	500,598	1,272,230	930,034	196,402
Bank loans	17	37,354,246	–	–	37,354,246	–	–
Uncompleted contracts-sellers		10,929,363	8,936,125	–	–	–	–
Trade and other payables	15	21,080,408	24,252,462	15,523,417	27,375,304	14,321,769	15,326,132
Finance lease liabilities	16	5,414	5,072	4,668	–	–	–
Current tax payable		1,663,349	1,078,872	503,580	–	–	–
Total current liabilities		71,032,780	34,272,531	16,031,665	64,729,550	14,321,769	15,326,132
Total liabilities		72,628,273	35,481,317	16,532,263	66,001,780	15,251,803	15,522,534
Total equity and liabilities		157,983,102	116,734,246	95,128,015	150,261,211	102,351,234	95,710,400

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

Consolidated Statement of Profit or Loss

YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
			Restated
Revenue	18	121,243,110	101,166,664
Commission and fee paid or payable to third party financial advisers		(61,623,420)	(51,721,986)
		59,619,690	49,444,678
Other income	19	1,163,396	1,079,491
Depreciation of plant and equipment	4	(1,670,355)	(1,369,155)
Amortisation of intangible assets	5	(3,919,197)	(2,875,270)
Staff costs		(26,435,627)	(21,086,511)
Other operating expenses		(17,753,844)	(16,858,016)
Results from operating activities		11,004,063	8,335,217
Finance income		1,003,165	739,992
Finance cost		(175,052)	(1,634)
Net finance income		828,113	738,358
Share of results of associates, net of tax	7	517,128	(326,376)
Profit before tax		12,349,304	8,747,199
Tax expense	21	(1,660,638)	(1,254,688)
Profit for the year	20	10,688,666	7,492,511
Profit attributable to:			
Owners of the Company		10,913,578	7,699,997
Non-controlling interests		(224,912)	(207,486)
Profit for the year		10,688,666	7,492,511
Earnings per share			
Basic earnings per share (cents)	23	4.10	2.92
Diluted earnings per share (cents)	23	4.01	2.87

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

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $ Restated
Profit for the year		10,688,666	7,492,511
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		104,011	(24,025)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	20	(142,162)	199,922
Foreign currency translation differences for foreign operations		263,261	(942,013)
Share of other comprehensive income of associates		(18,483)	(2,625)
		206,627	(768,741)
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of financial assets at FVOCI		(1,061,460)	871,657
Other comprehensive income for the year, net of tax		(854,833)	102,916
Total comprehensive income for the year		9,833,833	7,595,427
Attributable to:			
Owners of the Company		10,060,657	7,806,078
Non-controlling interests		(226,824)	(210,651)
Total comprehensive income for the year		9,833,833	7,595,427

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

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2018

Group	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 $	Total equity $
	Attributable to owners of the Company										
At 1 January 2018, as previously stated	65,544,511	(277,962)	(1,477,818)	1,789,958	2,844,865	(2,009,391)	(2,539,500)	17,360,865	81,235,528	17,401	81,252,929
Effect on adoption of SFRS(I) 9	–	(155,700)	–	–	–	–	–	155,700	–	–	–
At 1 January 2018, as restated	65,544,511	(433,662)	(1,477,818)	1,789,958	2,844,865	(2,009,391)	(2,539,500)	17,516,565	81,235,528	17,401	81,252,929
Total comprehensive income for the year											
Profit/(loss) for the year	–	–	–	–	–	–	–	10,913,578	10,913,578	(224,912)	10,688,666
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	–	(957,449)	–	–	–	–	–	–	(957,449)	–	(957,449)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	–	(142,162)	–	–	–	–	–	–	(142,162)	–	(142,162)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	–	92,382	–	–	–	–	–	(92,382)	–	–	–
Foreign currency translation differences for foreign operations	–	–	265,173	–	–	–	–	–	265,173	(1,912)	263,261
Share of other comprehensive income of associates	–	(2,158)	(16,325)	–	–	–	–	–	(18,483)	–	(18,483)
Total other comprehensive income	–	(1,009,387)	248,848	–	–	–	–	(92,382)	(852,921)	(1,912)	(854,833)
Total comprehensive income for the year	–	(1,009,387)	248,848	–	–	–	–	10,821,196	10,060,657	(226,824)	9,833,833
Balance carried forward	65,544,511	(1,443,049)	(1,228,970)	1,789,958	2,844,865	(2,009,391)	(2,539,500)	28,337,761	91,296,185	(209,423)	91,086,762

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

Consolidated Statement of Changes in Equity (Cont'd)

YEAR ENDED 31 DECEMBER 2018

		Attributable to owners of the Company										
Group	Note	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 $	Total equity $
Balance brought forward		65,544,511	(1,443,049)	(1,228,970)	1,789,958	2,844,865	(2,009,391)	(2,539,500)	28,337,761	91,296,185	(209,423)	91,086,762
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Share options exercised	13	424,807	–	–	–	–	–	–	–	424,807	–	424,807
Purchase of treasury shares		–	–	–	–	–	–	(150,475)	–	(150,475)	–	(150,475)
Treasury share re-issued		–	–	–	–	(1,944,963)	–	1,285,670	659,293	–	–	–
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share		–	–	–	–	–	–	–	(2,393,573)	(2,393,573)	–	(2,393,573)
One-tier tax-exempt interim dividend paid of 0.75 cents per share		–	–	–	–	–	–	–	(1,995,521)	(1,995,521)	–	(1,995,521)
One-tier tax-exempt interim dividend paid of 0.75 cents per share		–	–	–	–	–	–	–	(1,997,534)	(1,997,534)	–	(1,997,534)
One-tier tax-exempt interim dividend paid of 0.75 cents per share		–	–	–	–	–	–	–	(1,999,786)	(1,999,786)	–	(1,999,786)
Equity-settled share-based payment transactions		–	–	–	323,113	2,057,036	–	–	–	2,380,149	–	2,380,149
Total contributions by and distributions to owners		424,807	–	–	323,113	112,073	–	1,135,195	(7,727,121)	(5,731,933)	–	(5,731,933)
Total transactions with owners		424,807	–	–	323,113	112,073	–	1,135,195	(7,727,121)	(5,731,933)	–	(5,731,933)
At 31 December 2018		65,969,318	(1,443,049)	(1,228,970)	2,113,071	2,956,938	(2,009,391)	(1,404,305)	20,610,640	85,564,252	(209,423)	85,354,829

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

Consolidated Statement of Changes in Equity (Cont'd)

YEAR ENDED 31 DECEMBER 2018

Group	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 $	Total equity $
	Attributable to owners of the Company										
At 1 January 2017, as previously stated	64,147,569	10,924	(535,050)	1,496,244	2,250,619	(2,009,391)	(2,531,323)	15,616,108	78,445,700	150,052	78,595,752
Effect on adoption of SFRS(I) 9	–	(353,209)	–	–	–	–	–	353,209	–	–	–
At 1 January 2017, as restated	64,147,569	(342,285)	(535,050)	1,496,244	2,250,619	(2,009,391)	(2,531,323)	15,969,317	78,445,700	150,052	78,595,752
Total comprehensive income for the year											
Profit/(loss) for the year	–	–	–	–	–	–	–	7,699,997	7,699,997	(207,486)	7,492,511
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	–	847,632	–	–	–	–	–	–	847,632	–	847,632
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	–	199,922	–	–	–	–	–	–	199,922	–	199,922
Net change in fair value of financial assets at FVOCI transferred between reserves		(1,140,226)	–	–	–	–	–	1,140,226	–	–	–
Foreign currency translation differences for foreign operations	–	–	(938,848)	–	–	–	–	–	(938,848)	(3,165)	(942,013)
Share of other comprehensive income of associates	–	1,295	(3,920)	–	–	–	–	–	(2,625)	–	(2,625)
Total other comprehensive income	–	(91,377)	(942,768)	–	–	–	–	1,140,226	106,081	(3,165)	102,916
Total comprehensive income for the year	–	(91,377)	(942,768)	–	–	–	–	8,840,223	7,806,078	(210,651)	7,595,427
Balance carried forward	64,147,569	(433,662)	(1,477,818)	1,496,244	2,250,619	(2,009,391)	(2,531,323)	24,809,540	86,251,778	(60,599)	86,191,179

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

Consolidated Statement of Changes in Equity (Cont'd)

YEAR ENDED 31 DECEMBER 2018

Group	Note	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 $	Total equity $
		Attributable to owners of the Company										
Balance brought forward		64,147,569	(433,662)	(1,477,818)	1,496,244	2,250,619	(2,009,391)	(2,531,323)	24,809,540	86,251,778	(60,599)	86,191,179
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Share options exercised	13	1,396,942	–	–	–	–	–	–	–	1,396,942	–	1,396,942
Purchase of treasury shares		–	–	–	–	–	–	(547,631)	–	(547,631)	–	(547,631)
Treasury share re-issued		–	–	–	–	(785,303)	–	539,454	245,849	–	–	–
One-tier tax-exempt 2016 final dividend paid of 0.75 cents per share		–	–	–	–	–	–	–	(1,969,748)	(1,969,748)	–	(1,969,748)
One-tier tax-exempt interim dividend paid of 0.68 cents per share		–	–	–	–	–	–	–	(1,789,725)	(1,789,725)	–	(1,789,725)
One-tier tax-exempt interim dividend paid of 0.68 cents per share		–	–	–	–	–	–	–	(1,794,852)	(1,794,852)	–	(1,794,852)
One-tier tax-exempt interim dividend paid of 0.75 cents per share		–	–	–	–	–	–	–	(1,984,499)	(1,984,499)	–	(1,984,499)
Equity-settled share-based payment transactions		–	–	–	293,714	1,379,549	–	–	–	1,673,263	–	1,673,263
Total contributions by and distributions to owners		1,396,942	–	–	293,714	594,246	–	(8,177)	(7,292,975)	(5,016,250)	–	(5,016,250)
Changes in ownership interests in subsidiaries												
Issue of shares to non-controlling interests of subsidiary		–	–	–	–	–	–	–	–	–	78,000	78,000
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	–	–	–	78,000	78,000
Total transactions with owners		1,396,942	–	–	293,714	594,246	–	(8,177)	(7,292,975)	(5,016,250)	78,000	(4,938,250)
At 31 December 2017		65,544,511	(433,662)	(1,477,818)	1,789,958	2,844,865	(2,009,391)	(2,539,500)	17,516,565	81,235,528	17,401	81,252,929

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

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $ Restated
Cash flows from operating activities			
Profit for the year		10,688,666	7,492,511
Adjustments for:			
Depreciation of plant and equipment	4	1,670,355	1,369,155
Gain on disposal of plant and equipment		–	(1,290)
Plant and equipment written off		20,493	19,180
Intangible assets written off		–	2,040
Amortisation of intangible assets	5	3,919,197	2,875,270
Bad debt written off		–	2,426
Equity-settled share-based payment transactions	20	2,546,478	2,005,423
Dividend income on investment in financial assets at FVOCI		(732,127)	(652,627)
(Gain)/Loss on redemption of investment in financial assets at FVOCI		(142,162)	7,886
Net gain on investment in financial assets at FVTPL		(69,183)	(183,047)
Impairment loss on investment in financial assets at FVOCI		–	192,036
Share of results of associates, net of tax	7	(517,128)	326,376
Dividend income on investment in associates		(35,970)	(35,970)
Gain on derecognition of an associate		–	(18,940)
Unrealised exchange (gain)/loss, net		(128)	384,063
Net finance income		(828,113)	(738,358)
Tax expense		1,660,638	1,254,688
		18,181,016	14,300,822
Change in trade and other receivables		(3,537,801)	(13,415,170)
Change in trade and other payables		3,102,286	12,087,828
Cash generated from operations		17,745,501	12,973,480
Tax paid		(1,084,685)	(468,053)
Interest received		997,011	714,073
Interest paid		(33,759)	(1,634)
Net cash from operating activities		17,624,068	13,217,866
Cash flows from investing activities			
Purchase of plant and equipment		(2,604,676)	(1,535,170)
Purchase of intangible assets		(6,835,681)	(5,602,374)
Proceeds from disposal of plant and equipment		–	1,290
Additional investment in associates		(836,348)	(160,000)
Dividend received from an associate		35,970	35,005
Purchases of investment in financial assets		(84,462,313)	(60,577,136)
Proceeds from redemption of investment in financial assets		75,730,487	73,680,686
Dividends received from investment in financial assets at FVOCI		16,649	34,514
Acquisition of subsidiaries, net of cash acquired	6	–	(701,973)
Net cash (used in)/from investing activities		(18,955,912)	5,174,842
Cash flows from financing activities			
Proceeds from exercise of share options		424,807	1,396,942
Purchase of treasury shares		(150,475)	(547,631)
Proceeds from shares issued to non-controlling interests of subsidiary		–	78,000
Drawdown of bank loans		37,262,100	–
Repayment of finance lease liabilities		(5,049)	(4,581)
Dividends paid to owners of the Company		(8,386,414)	(7,538,824)
Net cash from/(used in) financing activities		29,144,969	(6,616,094)
Net increase in cash and cash equivalents		27,813,125	11,776,614
Cash and cash equivalents at 1 January		33,498,489	22,463,675
Effect of exchange rate fluctuations on cash held		(10,278)	(741,800)
Cash and cash equivalents at 31 December	11	61,301,336	33,498,489

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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 March 2019.

1 Domicile and Activities

iFAST Corporation Ltd. (the "Company") is incorporated in the Republic of Singapore and has its registered office at 10 Collyer Quay, #26-01 Ocean Financial Centre, Singapore 049315.

The financial statements of the Group as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in equity-accounted investees.

The principal activities of the Group are those relating to investment holding, development of software, marketing of unit trusts, exchange-traded funds, listed stocks, debt securities and government securities through websites and acting as an investment adviser, dealer and custodian in respect to the above securities.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I) and application of SFRS(I) have affected the reported financial position, financial performance and cash flows is provided in Note 28.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 – Subsidiaries; and
- Note 22 – Share-based incentive plans

2 **Basis of Preparation (continued)**

2.4 Use of estimates and judgements (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 25 – Financial Risk Management.

2.5 Changes in accounting policies

A number of new standards, amendments to standards and interpretations are effective for annual period 1 January 2018, and have been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 28.

3 **Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 January 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Loss of control

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

(iv) Investment in associates (equity-accounted investees)

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of this entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associates is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

3 Significant Accounting Policies (continued)

3.1 Basis of consolidation (continued)

(iv) Investment in associates (equity-accounted investees) (continued)

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

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

(vi) Subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

(i) Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the reporting rate.

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

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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.3 Plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation is recognised from the date that the plant and equipment are installed and are available for use, or in respect of internally constructed assets, from the date that the asset is completed and available for use.

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

Computer equipment	3 years
Office equipment	5 years or based on lease term
Furniture and fittings	5 years
Office renovation	5 years or based on lease term

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

3 Significant Accounting Policies (continued)

3.4 Intangible assets

Development costs and development costs in progress

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and costs that are directly attributable to creating, producing and preparing the assets for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 3 to 5 years. Development costs are amortised from the date the development has been completed and the asset is available for use.

Computer software

Computer software that are acquired by the Group and not integral to the functionality of the equipment, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Computer software are amortised in profit or loss on a straight-line basis over their estimated useful lives of 3 years, from the date on which they are available for use.

Intellectual properties

Intellectual properties that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Intellectual properties are amortised in profit or loss on a straight-line basis over their estimated useful lives of 5 years, from the date on which they are available for use.

Customer lists

Customer lists that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Customer lists are amortised in profit or loss on a straight-line basis over their estimated useful lives of 5 years, from the date the acquisition has been completed.

Licences

Licences that are acquired by the Group comprise licences to carry on regulated activities and business. The licences have indefinite useful lives as there are no limited terms of renewal and the Group has the abilities and plans in place to retain the licences indefinitely.

Licences with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that they may be impaired. The licences are measured at cost less accumulated impairment losses.

Goodwill

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

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.5 Leased assets

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

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

3.6 Club membership

Club membership is stated at cost less impairment losses.

3.7 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant Accounting Policies (continued)

3.7 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.7 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses on the amortised costs and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial assets – Policy applicable before 1 January 2018

The Group classifies non-derivative financial assets into the following categories: financial assets at FVTPL, loans and receivables and available-for-sale financial assets.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 January 2018

Financial assets at FVTPL

A financial asset was classified at FVTPL if it was classified as held-for-trading or was designated as such upon initial recognition. Financial assets were designated at FVTPL if the Group managed such investments and made purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Directly attributable transaction costs were recognised in profit or loss as incurred. Financial assets at FVTPL were measured at fair value, and changes therein, which took into account any dividend income, were recognised in profit or loss.

Financial assets classified as held-for-trading comprised equity investments actively managed by the Group's treasury department to address short-term liquidity needs.

Financial assets designated at FVTPL comprised equity investments that otherwise would have been classified as available-for-sale.

Loans and receivables

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

Loans and receivables comprised cash and cash equivalents, and trade and other receivables.

3 Significant Accounting Policies (continued)

3.7 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets – Policy applicable before 1 January 2018 (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 January 2018 (continued)

Available-for-sale financial assets

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

Available-for-sale financial assets comprised equity investments and debt investments.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised bank loans, uncompleted contracts payables, and trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.7 Financial instruments (continued)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits and money market funds that can be readily convertible to a known amount of cash and are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term cash commitments.

For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

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

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained profits of the Company. When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against the share capital account if the shares are purchased out of the capital of the Company, or against the retained profits of the Company if the shares are purchased out of the profits of the Company.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(vii) Intra-group financial guarantees in the separate financial statements

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

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as financial liabilities.

Intra-group financial guarantees in the separate financial statements – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, for subsequent measurement, the financial guarantees were measured at the higher of the amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

3 **Significant Accounting Policies (continued)**

3.8 Impairment

(i) Non-derivative financial assets and contract assets

Policy applicable from 1 January 2018

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs;
- debt investments measured at FVOCI;
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.8 Impairment (continued)

(i) Non-derivative financial assets and contract assets (continued)

Policy applicable from 1 January 2018 (continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

A financial asset not carried at FVTPL, including an interest in an associate and joint venture, was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets (including equity investments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment.

3 Significant Accounting Policies (continued)

3.8 Impairment (continued)

(i) Non-derivative financial assets and contract assets (continued)

Policy applicable before 1 January 2018 (continued)

Loans and receivables

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

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

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss recognised previously in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

(ii) Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.9 Leases

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

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

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

Determining whether an arrangement contains a lease

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

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

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

3.10 Employee benefits

Defined contribution plans

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

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. These include salaries, annual bonuses and paid annual leave.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of service rendered by employees up to the reporting date.

Share-based incentive plans

The share-based incentive plans allow Directors and executives to receive remuneration in the form of share options as consideration for services rendered. The fair value of options granted is recognised as an employee expense, with a corresponding increase in equity. The fair value is measured at grant date and spread over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

Fully paid ordinary shares are awarded under the performance shares to Directors and executives, free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed vesting periods. The fair value of the performance shares granted is recognised as an employee expense, with a corresponding increase in equity over the vesting period.

3 Significant Accounting Policies (continued)

3.11 Share-based payment transactions

For other equity-settled share-based payment transactions not mentioned in Note 3.10, the Group recognises the goods or services when they are received. The goods or services are measured with reference to the fair value of the equity instruments granted.

3.12 Provisions

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

3.13 Revenue recognition

Revenue from sale of services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Revenue of the Group represents advertising fees, commission and fee income, service fees, income from sale of magazines and software licences fees.

Commission and fee income and service fees are recognised upon rendering of service and by reference to the stage of completion of the transaction at the reporting date.

Advertising revenue, which is earned in the form of upfront and variable payments, is deferred and recognised over the period to which the contract relates.

Magazine sales and software licence revenue are recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

3 Significant Accounting Policies (continued)

3.14 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Cash grants received from the government in relation to Productivity and Innovation Credit Bonus, Wage Credit Scheme and Special Employment Credit are recognised as income upon receipt.

3.15 Finance income and finance cost

Finance income comprises interest income from investment in financial assets, money market funds, bank deposits and client bank accounts. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance cost comprises interest expenses arising from financial lease and bank loans, and it is recognised in profit or loss using the effective interest rate method.

3.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

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

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

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

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

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

3 Significant Accounting Policies (continued)

3.17 Earnings per share

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

3.18 Segment reporting

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

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure are total costs incurred during the period to acquire plant and equipment and intangible assets.

3.19 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 29.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

4 Plant and Equipment

	Computer equipment $	Office equipment $	Furniture and fittings $	Office renovation $	Total $
Group					
Cost					
At 1 January 2017	5,415,262	629,470	499,766	2,914,174	9,458,672
Acquisition through business combination (Note 6)	595	–	123	–	718
Other additions	711,292	76,750	18,110	729,018	1,535,170
Disposals/written off	(302,611)	(6,325)	(39,831)	(18,838)	(367,605)
Translation differences on consolidation	(40,294)	(11,952)	(7,610)	(35,664)	(95,520)
At 31 December 2017	5,784,244	687,943	470,558	3,588,690	10,531,435
Other additions	1,287,255	107,423	116,153	1,093,845	2,604,676
Disposals/written off	(468,979)	(102,527)	(103,811)	(503,055)	(1,178,372)
Translation differences on consolidation	(15,320)	(2,123)	221	7,241	(9,981)
At 31 December 2018	6,587,200	690,716	483,121	4,186,721	11,947,758
Accumulated depreciation					
At 1 January 2017	3,837,123	463,207	421,475	2,549,631	7,271,436
Depreciation for the year	1,013,433	57,312	18,654	279,756	1,369,155
Disposals/written off	(301,871)	(5,448)	(27,762)	(13,344)	(348,425)
Translation differences on consolidation	(23,092)	(7,046)	(4,909)	(33,567)	(68,614)
At 31 December 2017	4,525,593	508,025	407,458	2,782,476	8,223,552
Depreciation for the year	1,000,659	73,005	31,559	565,132	1,670,355
Disposals/written off	(466,718)	(99,674)	(88,432)	(503,055)	(1,157,879)
Translation differences on consolidation	(22,654)	(2,681)	(1,797)	(15,790)	(42,922)
At 31 December 2018	5,036,880	478,675	348,788	2,828,763	8,693,106
Carrying amounts					
At 1 January 2017	1,578,139	166,263	78,291	364,543	2,187,236
At 31 December 2017	1,258,651	179,918	63,100	806,214	2,307,883
At 31 December 2018	1,550,320	212,041	134,333	1,357,958	3,254,652

The Group leases some office equipment under a finance lease. At 31 December 2018, the net carrying amount of leased office equipment was $11,094 (31 Dec 2017: $16,557; 1 Jan 2017: $21,979).

4 Plant and Equipment (continued)

	Computer equipment $	Office equipment $	Total $
Company			
Cost			
At 1 January 2017	180,852	6,757	187,609
Additions	58,781	–	58,781
Disposals/written off	(2,790)	–	(2,790)
At 31 December 2017	236,843	6,757	243,600
Additions	83,796	11,211	95,007
Disposals/written off	(16,900)	–	(16,900)
At 31 December 2018	303,739	17,968	321,707
Accumulated depreciation			
At 1 January 2017	130,517	5,420	135,937
Depreciation for the year	44,196	607	44,803
Disposals/written off	(2,790)	–	(2,790)
At 31 December 2017	171,923	6,027	177,950
Depreciation for the year	50,439	1,550	51,989
Disposals/written off	(15,553)	–	(15,553)
At 31 December 2018	206,809	7,577	214,386
Carrying amounts			
At 1 January 2017	50,335	1,337	51,672
At 31 December 2017	64,920	730	65,650
At 31 December 2018	96,930	10,391	107,321

Notes to the Financial Statements

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5 Intangible Assets and Goodwill

	Development costs $	Development costs in progress $	Computer software $	Intellectual properties $	Licences $	Customer lists $	Goodwill $	Total $
Group								
Cost								
At 1 January 2017	6,642,009	1,260,799	4,049,764	258,653	1,454,700	706,800	–	14,372,725
Acquisition through business combination (Note 6)	–	–	–	–	–	–	368,927	368,927
Other additions	–	5,314,210	516,676	–	100,000	–	–	5,930,886
Transfers	5,562,268	(5,562,268)	–	–	–	–	–	–
Disposals/written off	–	(2,040)	–	–	–	–	–	(2,040)
Translation differences on consolidation	–	–	(28,808)	11,550	(121,680)	–	(27,127)	(166,065)
At 31 December 2017	12,204,277	1,010,701	4,537,632	270,203	1,433,020	706,800	341,800	20,504,433
Other additions	–	7,454,804	667,846	–	–	–	–	8,122,650
Transfers	6,236,780	(6,236,780)	–	–	–	–	–	–
Translation differences on consolidation	–	(117)	(7,265)	1,400	26,520	–	6,800	27,338
At 31 December 2018	18,441,057	2,228,608	5,198,213	271,603	1,459,540	706,800	348,600	28,654,421

5 Intangible Assets and Goodwill (continued)

	Development costs $	Development costs in progress $	Computer software $	Intellectual properties $	Licences $	Customer lists $	Goodwill $	Total $
Group								
Accumulated Amortisation								
At 1 January 2017	889,797	–	2,319,664	258,653	–	530,100	–	3,998,214
Amortisation for the year	1,776,078	–	957,832	–	–	141,360	–	2,875,270
Translation differences on consolidation	–	–	(3,009)	11,550	–	–	–	8,541
At 31 December 2017	2,665,875	–	3,274,487	270,203	–	671,460	–	6,882,025
Amortisation for the year	3,017,379	–	866,478	–	–	35,340	–	3,919,197
Translation differences on consolidation	–	–	(7,856)	1,400	–	–	–	(6,456)
At 31 December 2018	5,683,254	–	4,133,109	271,603	–	706,800	–	10,794,766
Carrying amounts								
At 1 January 2017	5,752,212	1,260,799	1,730,100	–	1,454,700	176,700	–	10,374,511
At 31 December 2017	9,538,402	1,010,701	1,263,145	–	1,433,020	35,340	341,800	13,622,408
At 31 December 2018	12,757,803	2,228,608	1,065,104	–	1,459,540	–	348,600	17,859,655

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5 Intangible Assets and Goodwill (continued)

	Development costs $	Development costs in progress $	Computer software $	Intellectual properties $	Total $
Company					
Cost					
At 1 January 2017	6,622,834	1,260,799	697,854	35,900,000	44,481,487
Additions	–	5,314,210	53,398	–	5,367,608
Transfers	5,562,268	(5,562,268)	–	–	–
Disposals/written off	–	(2,040)	–	–	(2,040)
At 31 December 2017	12,185,102	1,010,701	751,252	35,900,000	49,847,055
Additions	–	6,822,009	11,602	–	6,833,611
Transfers	6,236,780	(6,236,780)	–	–	–
At 31 December 2018	18,421,882	1,595,930	762,854	35,900,000	56,680,666
Accumulated amortisation					
At 1 January 2017	870,622	–	344,229	35,900,000	37,114,851
Amortisation for the year	1,776,078	–	235,867	–	2,011,945
At 31 December 2017	2,646,700	–	580,096	35,900,000	39,126,796
Amortisation for the year	3,017,379	–	149,461	–	3,166,840
At 31 December 2018	5,664,079	–	729,557	35,900,000	42,293,636
Carrying amounts					
At 1 January 2017	5,752,212	1,260,799	353,625	–	7,366,636
At 31 December 2017	9,538,402	1,010,701	171,156	–	10,720,259
At 31 December 2018	12,757,803	1,595,930	33,297	–	14,387,030

6 Subsidiaries

	Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Equity investments, at cost	50,665,053	50,089,909	48,312,515

Details of subsidiaries are as follows:

		Ownership interest		
Name of subsidiary	Country of incorporation	31 Dec 2018 %	31 Dec 2017 %	1 Jan 2017 %
iFAST Financial Pte. Ltd.[(1)] and its subsidiary:	Singapore	100	100	100
iFAST Nominees Pte. Ltd.[(1)]	Singapore	100	100	100
iFAST Capital Ltd.[(1)]	Singapore	100	100	100
iFAST Financial (HK) Limited[(2)] and its subsidiaries:	Hong Kong	100	100	100
iFAST Nominees (HK) Limited[(2)]	Hong Kong	100	100	100
iFAST China Holdings Pte. Ltd.[(1)] and its subsidiary:	Singapore	95	95	95
iFAST Financial China Limited[(4)] (formerly known as iFAST Financial Limited)	China	95	95	95
iFAST Platform Services (HK) Limited[(2)]	Hong Kong	100	100	100
iFAST Securities (HK) Limited[(5)]	Hong Kong	100	100	100
iFAST Insurance Brokers (HK) Limited[(5)]	Hong Kong	100	100	-
iFAST Hong Kong Holdings Limited[(2)] and its subsidiary:	Hong Kong	100	-	-
IFB Limited[(2)]	Hong Kong	100	-	-
iFAST Service Centre Sdn Bhd[(3)]	Malaysia	100	100	100
iFAST Malaysia Sdn Bhd[(3)] and its subsidiaries:	Malaysia	100	100	100
FA Corporate and Compliance Consultancy Sdn Bhd[(3)]	Malaysia	100	100	100
iFAST Capital Sdn Bhd[(3)] and its subsidiary:	Malaysia	100	100	100
iFAST Nominees Sdn Bhd[(3)]	Malaysia	100	100	100
bondsupermart Ltd	British Virgin Islands	100	100	100

(1) KPMG LLP Singapore is the auditor
(2) KPMG LLP Hong Kong is the auditor
(3) BDO PLT (formerly known as BDO Limited) Malaysia is the auditor
(4) KPMG Huazhen LLP, Shenzhen Branch is the auditor
(5) PKF Hong Kong Limited is the auditor

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6 Subsidiaries (continued)

On 3 May 2018, the Company incorporated a wholly-owned subsidiary in Hong Kong, namely iFAST Hong Kong Holdings Limited ("iFAST HK Holdings"). Through iFAST HK Holdings, the Company also incorporated a wholly-owned subsidiary in Hong Kong, namely IFB Limited.

On 11 January 2017, the Company completed the acquisition of 100% shares in Canadian Financial Consultants Limited, renamed as iFAST Insurance Brokers (HK) Limited ("HII") on 3 July 2017, for cash consideration of HK$5,163,110 (equivalent to $953,248). HII is principally engaged in insurance brokerage in Hong Kong. It is a member of the Hong Kong Confederation of Insurance Brokers and registered with the Mandatory Provident Fund Authority of Hong Kong ("MPF") to act as an MPF principal intermediary.

The acquisition had the following effects on the Group's assets and liabilities on acquisition date:

	Recognised value on acquisition $
Plant and equipment	718
Other investments	349,850
Deferred tax assets	13,352
Trade and other receivables	40,419
Prepayments	1,805
Cash and cash equivalents	251,275
Trade and other payables	(73,098)
Total identifiable net assets	584,321
Goodwill on acquisition	368,927
Consideration paid in cash	953,248
Cash and cash equivalents acquired	(251,275)
Net cash outflow	701,973

The value of the above assets and liabilities recognised on acquisition are based on the carrying amounts immediately before the acquisition, where the carrying amounts are estimated to approximate their fair values on the date of acquisition.

Impairment testing

Some of the subsidiaries are in the initial growth phase and cash flow projections with a set of assumptions that require significant judgements are prepared to determine if there is any indication of impairment of the Company's investments in subsidiaries. In making these judgements, the Company evaluates, amongst other factors, the market and economic environments in which the subsidiaries operate, economic performances of the subsidiaries and the extent of which the carrying amounts of its investment in subsidiaries exceed their tangible net asset values.

Based on the Company's assessment, the recoverable amounts of its investments in subsidiaries are estimated to be higher than the carrying amounts of its investments in subsidiaries and no allowances for impairment losses are required.

7 Associates

Details of associates are as follows:

		Ownership interest		
Name of associate	Country of incorporation	31 Dec 2018 %	31 Dec 2017 %	1 Jan 2017 %
Providend Holding Private Limited[(1)]	Singapore	31.66	30.00	30.00
iFAST India Holdings Pte. Ltd.[(2)]	Singapore	24.98	21.42	21.76
PC iFAST Holding (SG) Pte. Ltd.[(3)]	Singapore	*	*	25.00

(1) At Adler is the auditor
(2) KPMG LLP Singapore is the auditor
(3) UHY Lee Seng Chan & Co is the auditor
* No longer an associate upon dilution of interest

On 5 May 2016, the Company together with PC International (HK) Limited ("PC International"), incorporated a private limited company in Singapore, PC iFAST Holding (SG) Pte. Ltd. ("PC iFAST"), with an initial issued and paid-up capital of $100. The Company had 25.0% interest in PC iFAST as at 31 December 2016. In 2017, the Company injected additional capital of $160,000 into PC iFAST in cash and its interest in PC iFAST changed from 25.0% to 19.5%. Upon the dilution of the Company's interest in PC iFAST, the Group has determined that it has lost significant influence over PC iFAST and PC iFAST has ceased to be an associate of the Company.

The Group has two (31 Dec 2017: two; 1 Jan 2017: three) associates that are individually immaterial to the Group, which are all accounted for using the equity method.

Information about the Group's investment in associates are as follows:

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
At cost	2,853,508	2,017,160	2,017,185	2,853,508	2,017,160	2,017,185
Group's interests in associates at beginning of the year	1,615,885	1,829,085	362,158	2,017,160	2,017,185	400,157
Acquisition of interests in associates	836,348	160,000	1,617,028	836,348	160,000	1,617,028
Group's share of gain/(loss) after tax of associates	517,128	(326,376)	(158,062)	–	–	–
Group's share of other comprehensive income of associates	(18,483)	(2,625)	7,961	–	–	–
Carrying amount of interest in associate derecognised	–	(44,199)	–	–	(160,025)	–
Carrying amount of Group's interests in associates at end of the year	2,950,878	1,615,885	1,829,085	2,853,508	2,017,160	2,017,185

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8 Trade and Other Receivables

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Trade receivables	10,184,586	11,117,455	11,331,834	4,000	69,410	24,325
Accrued revenue	13,276,255	10,779,185	8,794,977	180,116	180,116	178,527
Deposits and other receivables	5,709,609	5,497,850	2,872,315	1,173,860	1,294,116	628,069
Loans to subsidiaries	–	–	–	46,393,500	5,120,000	–
Trade amounts due from subsidiaries	–	–	–	2,141,219	895,684	703,510
Non-trade amounts due from subsidiaries	–	–	–	10,806,600	–	–
Trade amounts due from related parties	79,123	40,603	30,007	79,123	40,603	30,007
Non-trade amounts due from related parties	761,847	700,041	1,061,822	192,610	172,850	570,736
Loans and receivables	30,011,420	28,135,134	24,090,955	60,971,028	7,772,779	2,135,174

Trade receivables and accrued revenue consist mainly of commission and fee income that shall only be due and payable to third party financial advisers upon the Group's receipt of the corresponding amounts from customers.

Loans to subsidiaries are unsecured and repayable on demand with interest at rates ranging from 1.55% to 5.00% per annum in the year (2017: 5.00%).

Other outstanding balances with subsidiaries and related parties are unsecured, interest free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

The Group's exposures to credit and impairment losses related to trade receivables are disclosed in Note 25.

9 Other Investments

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Non-current						
Financial assets at FVOCI						
Unquoted equity shares	5,062,429	3,848,832	–	972,171	783,140	–
Current						
Financial assets at FVOCI						
- Debt investments	207,343	1,663,440	3,585,651	207,343	1,663,440	3,585,651
- Equity investments	9,720,627	13,122,428	21,357,819	9,720,627	13,122,428	21,357,819
	9,927,970	14,785,868	24,943,470	9,927,970	14,785,868	24,943,470
Financial assets at FVTPL						
- Debt investments	5,000,458	6,414,352	6,001,925	5,000,458	6,414,352	6,001,925
- Equity investment	7,999,994	–	–	–	–	–
- Investment in other instrument	1,187,331	1,212,463	1,182,057	1,187,331	1,212,463	1,182,057
	14,187,783	7,626,815	7,183,982	6,187,789	7,626,815	7,183,982
	24,115,753	22,412,683	32,127,452	16,115,759	22,412,683	32,127,452

9 Other Investments (continued)

Debt investments at FVOCI of the Group and the Company have stated interest rates of 5.0% to 8.8% (31 Dec 2017: 5.0% to 8.8%; 1 Jan 2017: 3.7% to 8.8%) and mature between 1 and 4 years (31 Dec 2017: between 1 and 3 years; 1 Jan 2017: between 1 and 6 years).

Debt investments at FVTPL of the Group and the Company have stated interest rates of 2.7% to 8.5% (31 Dec 2017: 3.1% to 8.3%; 1 Jan 2017: 2.9% to 8.7%) and mature between 1 and 10 years (31 Dec 2017: between 1 and 7 years; 1 Jan 2017: between 1 and 6 years).

Equity investments at FVOCI of the Group and the Company include investments in fixed income funds amounting to $9,610,800 at the reporting date (31 Dec 2017: $13,023,369; 1 Jan 2017: $16,690,356).

Equity investment at FVTPL of the Group comprise an investment in fixed income fund amounting to $7,999,994 at the reporting date (31 Dec 2017: Nil; 1 Jan 2017:Nil).

The Group's exposure to credit and market risk and the fair value information related to other investments are disclosed in Note 25.

10 Prepayments and Others

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Non-current						
Prepaid trailer fees in the form of shares	–	–	166,107	–	–	–
Other prepayments	206,609	334,923	136,111	–	–	–
Club membership, at cost	11,429	11,429	11,429	11,429	11,429	11,429
	218,038	346,352	313,647	11,429	11,429	11,429
Current						
Prepaid trailer fees in the form of shares	–	166,215	332,214	–	–	–
Other prepayments	1,262,167	1,148,869	1,329,590	22,035	25,947	93,535
	1,262,167	1,315,084	1,661,804	22,035	25,947	93,535

The prepaid trailer fees in the form of shares relates to additional trailer fees paid by the Group to its business partners by way of shares of the Company, withheld by a settlement agent for distribution at the end of vesting period of three years from 2015. The shares entitled by the qualified business partners at the end of the vesting period have been transferred by the settlement agent to these business partners in 2018.

11 Cash and Cash Equivalents

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Cash at bank and in hand	60,660,964	30,879,533	20,973,829	4,155,877	8,452,278	3,594,802
Money market funds	640,372	2,618,956	1,489,846	–	–	–
Cash and cash equivalents in the statement of cash flows	61,301,336	33,498,489	22,463,675	4,155,877	8,452,278	3,594,802

The money market funds are included as cash and cash equivalents as they are considered fully liquid investments readily convertible into known amounts of cash and cash equivalents which are subject to an insignificant risk of changes in value.

The weighted average effective interest rate per annum relating to cash and cash equivalents and client bank accounts at the reporting date for the Group and the Company were 1.54% (31 Dec 2017: 0.84%; 1 Jan 2017: 0.52%) and 0.51% (31 Dec 2017: 0.58%; 1 Jan 2017: 0.12%) respectively.

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12 Held Under Trust

Some of the subsidiaries in the Group receive and hold monies deposited by clients and other institutions in the course of the conduct of the regulated activities. These clients' monies are maintained in one or more trust bank accounts which are separately maintained from the bank accounts of the Group.

13 Share Capital and Reserves

Share capital

		2018		2017	
	Note	Number of shares	$	Number of shares	$
Company					
Fully paid ordinary shares, with no par value:					
In issue at 1 January		267,541,818	65,544,511	264,906,715	64,147,569
Exercise of share options	22	815,661	424,807	2,635,103	1,396,942
In issue at 31 December		268,357,479	65,969,318	267,541,818	65,544,511

815,661 ordinary shares were issued in 2018 as a result of the exercise of vested options arising from the share option programmes granted to full-time executives (2017: 2,635,103 shares). Options were exercised at an average price of $0.52 (2017: $0.53) per option. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets. However, all rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

As at the reporting date, there were 3,852,940 (31 Dec 2017: 4,668,601; 1 Jan 2017: 7,346,454) shares reserved for issue under options and 6,394,300 (31 Dec 2017: 4,167,800; 1 Jan 2017: 3,136,400) shares reserved for issue under the PSP.

Reserves

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Fair value reserve	(1,443,049)	(433,662)	(342,285)	(1,442,168)	(434,940)	(342,235)
Foreign currency translation reserve	(1,228,970)	(1,477,818)	(535,050)	–	–	–
Share option reserve	2,113,071	1,789,958	1,496,244	1,563,977	1,563,977	1,496,244
Performance share reserve	2,956,938	2,844,865	2,250,619	2,956,938	2,844,865	2,250,619
Equity reserve	(2,009,391)	(2,009,391)	(2,009,391)	–	–	–
Reserve for own shares	(1,404,305)	(2,539,500)	(2,531,323)	(1,404,305)	(2,539,500)	(2,531,323)
Accumulated profits	20,610,640	17,516,565	15,969,317	16,615,671	20,120,518	15,166,992
	19,594,934	15,691,017	14,298,131	18,290,113	21,554,920	16,040,297

13 Share Capital and Reserves (continued)

Fair value reserve

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

Foreign currency translation reserve

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

Share option reserve

The share option reserve comprises the cumulative value of services received for the issue of share options.

Performance share reserve

The performance share reserve comprises cumulative value of services received for the issue of performance shares.

Equity reserve

The equity reserve represents:

(i) effects of changes in ownership interests in subsidiaries when there are no changes in control; and

(ii) premium received from NCI on issue of shares by subsidiaries without change in ownership interests.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2018, the Group held 1,580,800 (31 Dec 2017: 2,869,200; 1 Jan 2017: 2,683,300) of the Company's shares.

14 Deferred Tax

Unrecognised deferred tax assets and liabilities

At 31 December 2018, deferred tax assets in respect of tax losses and deductible temporary differences amounting to $39,739,436 (31 Dec 2017: $42,259,998; 1 Jan 2017: $46,134,475) were not recognised because it is uncertain whether future taxable profits will be available against which the Group can utilise the benefits.

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

Recognised deferred tax assets and liabilities

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amount, determined after appropriate offsetting is included in the statement of financial position as follows:

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Deferred tax assets	986,919	542,020	–	–	–	–
Deferred tax liabilities	1,587,902	1,195,349	481,809	1,272,230	930,034	196,402

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14 Deferred Tax (continued)

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Group						
Plant and equipment	–	(49,358)	(402,688)	1,721,167	1,280,385	908,348
Trade and other payables	(30,137)	(35,678)	(23,851)	–	–	–
Tax losses recognised	(1,090,047)	(542,020)	–	–	–	–
Deferred tax (assets)/liabilities	(1,120,184)	(627,056)	(426,539)	1,721,167	1,280,385	908,348
Set off of tax	133,265	85,036	426,539	(133,265)	(85,036)	(426,539)
Net deferred tax (assets)/liabilities	(986,919)	(542,020)	–	1,587,902	1,195,349	481,809
Company						
Plant and equipment	–	–	–	1,389,731	979,392	599,090
Tax losses recognised	(117,501)	(49,358)	(402,688)	–	–	–
Deferred tax (assets)/liabilities	(117,501)	(49,358)	(402,688)	1,389,731	979,392	599,090
Set off of tax	117,501	49,358	402,688	(117,501)	(49,358)	(402,688)
Net deferred tax liabilities	–	–	–	1,272,230	930,034	196,402

Movements in deferred tax assets and liabilities of the Group and the Company (prior to offsetting of balances) during the year were as follows:

	At 1 January 2017 $	Recognised in profit or loss (Note 21) $	Translation differences on consolidation $	At 31 December 2017 $	Recognised in profit or loss (Note 21) $	Translation differences on consolidation $	At 31 December 2018 $
Group							
Deferred tax assets							
Plant and equipment	(402,688)	353,330	–	(49,358)	49,358	–	–
Trade and other payables	(23,851)	(11,827)	–	(35,678)	5,541	–	(30,137)
Tax losses recognised	–	(545,027)	3,007	(542,020)	(536,908)	(11,119)	(1,090,047)
	(426,539)	(203,524)	3,007	(627,056)	(482,009)	(11,119)	(1,120,184)
Deferred tax liabilities							
Plant and equipment	908,348	372,037	–	1,280,385	440,782	–	1,721,167
	481,809	168,513	3,007	653,329	(41,227)	(11,119)	600,983
Company							
Deferred tax assets							
Tax losses recognised	(402,688)	353,330	–	(49,358)	(68,143)	–	(117,501)
Deferred tax liabilities							
Plant and equipment	599,090	380,302	–	979,392	410,339	–	1,389,731
	196,402	733,632	–	930,034	342,196	–	1,272,230

15 Trade and Other Payables

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Current						
Trade payables	2,166,763	1,859,154	1,645,226	39,889	125,831	364,361
Accrued operating expenses	18,431,548	22,117,780	13,495,069	4,205,748	8,461,121	2,298,611
Trade amounts due to subsidiaries	–	–	–	4,970,221	4,026,827	12,663,160
Non-trade amounts due to subsidiaries	–	–	–	18,144,600	1,700,000	–
Trade amounts due to related parties	38,697	–	35,836	14,846	–	–
Deposits received	443,400	275,528	347,286	–	7,990	–
	21,080,408	24,252,462	15,523,417	27,375,304	14,321,769	15,326,132

Trade payables and accrued operating expenses consist mainly of commission and fee income that shall only be due and payable to third party financial advisers upon the Group's receipt of the corresponding amounts from customers.

Outstanding balances with subsidiaries and related parties are unsecured, interest free and repayable on demand.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 25.

16 Finance Lease Liabilities

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Current portion	5,414	5,072	4,668	–	–	–
Non-current portion	7,591	13,437	18,789	–	–	–
	13,005	18,509	23,457	–	–	–

Finance lease liabilities are payable as follows:

	Future minimum lease payments 31 Dec 2018 $	Interest 31 Dec 2018 $	Present value of minimum lease payments 31 Dec 2018 $	Future minimum lease payments 31 Dec 2017 $	Interest 31 Dec 2017 $	Present value of minimum lease payments 31 Dec 2017 $	Future minimum lease payments 1 Jan 2017 $	Interest 1 Jan 2017 $	Present value of minimum lease payments 1 Jan 2017 $
Group									
Within one year	6,506	1,092	5,414	6,722	1,650	5,072	6,823	2,155	4,668
Between one and five years	8,166	575	7,591	15,160	1,723	13,437	22,213	3,424	18,789
	14,672	1,667	13,005	21,882	3,373	18,509	29,036	5,579	23,457

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17 Bank Loans

	Group			Company		
	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Current						
Bank loans	37,354,246	–	–	37,354,246	–	–

Terms and conditions of outstanding loans and borrowings are as follows:

				31 Dec 2018		31 Dec 2017		1 Jan 2017	
	Currency	Nominal interest rate	Year of maturity	Face Value $	Carrying amount $	Face Value $	Carrying amount $	Face Value $	Carrying amount $
Group and Company									
Unsecured bank loan	HKD	1.55% - 4.00%	2019	11,758,606	11,758,606	–	–	–	–
Unsecured bank loan	HKD	3.48%	2019	13,622,621	13,622,621	–	–	–	–
Unsecured bank loan*	SGD	1.5% p.a. above SGD swap offer rate for 1 month	2019	12,000,000	11,973,019	–	–	–	–
				37,381,227	37,354,246	–	–	–	–

*In November 2018, the Company drew down an unsecured bank loan with a face value of $12,000,000, repayable in tranches within 4 years, for the financing of initial capital required for an application for a virtual banking ("VB") licence submitted by IFB Limited ("IFB"), a wholly-owned subsidiary incorporated in Hong Kong, to Hong Kong Monetary Authority ("HKMA") in the year. The loan is subject to early repayment if IFB is unable to obtain a VB licence from HKMA within 9 months from the loan disbursement date. At the end of 2018, IFB was notified by HKMA that IFB was not among the first batch of companies shortlisted for the processing of the VB licence application, and the subsequent batch of the licence application processing would not be expected within the next one year. The carrying amount of the loan is $11,973,019 at the reporting date. The Company has repaid the loan in full in February 2019.

17 Bank Loans (continued)

Reconciliation of liabilities arising from financing activities

	Bank loans $	Finance lease liabilities $	Total $
At 1 January 2017	–	23,457	23,457
Changes from financing cash flows			
Repayment of finance lease liabilities	–	(4,581)	(4,581)
	–	(4,581)	(4,581)
Others			
Interest expense	–	1,634	1,634
Interest paid	–	(1,634)	(1,634)
The effect of changes in foreign exchange rates	–	(367)	(367)
	–	(367)	(367)
At 31 December 2017	–	18,509	18,509
Changes from financing cash flows			
Drawdown of bank loans	37,262,100	–	37,262,100
Repayment of finance lease liabilities	–	(5,049)	(5,049)
	37,262,100	(5,049)	37,257,051
Others			
Interest expense	173,404	1,648	175,052
Interest paid	(32,111)	(1,648)	(33,759)
The effect of changes in foreign exchange rates	(49,147)	(455)	(49,602)
	92,146	(455)	91,691
At 31 December 2018	37,354,246	13,005	37,367,251

18 Revenue

	Group	
	2018 $	2017 $
Commission and fee income	115,850,985	97,535,207
Service fees	5,190,970	3,489,668
Advertising fees	161,476	98,333
Others	39,679	43,456
	121,243,110	101,166,664

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19 Other Income

	Group	
	2018 $	2017 $ Restated
Investment income		
- gain/(loss) on redemption of investment in financial assets at FVOCI, net	142,162	(7,886)
- dividend income from investment in financial assets at FVOCI, net	732,127	652,627
- net gain on investment in financial assets at FVTPL	69,183	183,047
- dividend income on investment in associate	35,970	35,970
- gain on derecognition of an associate	–	18,940
Government grant	123,865	144,649
Others	60,089	52,144
	1,163,396	1,079,491

20 Profit for the year

The following items have been included in arriving at profit for the year:

	Group	
	2018 $	2017 $ Restated
Interest income		
- from cash at bank	(238,871)	(134,636)
- from trust accounts	(582,880)	(260,166)
- from money market funds	(72,397)	(69,444)
- from investment in financial assets	(103,035)	(273,868)
- from deposits and other receivables	(5,982)	(1,878)
	(1,003,165)	(739,992)
Audit fees paid to:		
- auditors of the Company*	284,735	191,500
- other auditors	143,406	124,425
Non-audit fees paid to:		
- auditors of the Company	45,700	54,900
- other auditors	19,218	64,250
Unrealised exchange (gain)/loss, net	(128)	384,063
Equity-settled share-based payment transactions, included in staff costs	2,380,149	1,673,263
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	166,329	332,160
Contributions to defined contribution plans, included in staff costs	2,062,199	1,789,668
Operating lease expense	6,564,511	6,364,134
Net change in fair value of financial assets at FVOCI reclassified from equity	(142,162)	199,922
Impairment loss on investment in financial assets at FVOCI, included in other operating expenses	–	192,036

* Including fees paid for compliance audit in 2018.

21 Tax Expense

	Group	
	2018 $	2017 $
		Restated
Current tax expense		
Current year	1,740,328	1,118,857
Adjustment for prior years	(38,463)	(32,682)
	1,701,865	1,086,175
Deferred tax expense		
Origination and reversal of temporary differences	(34,026)	99,021
Adjustment for prior years	(7,201)	69,492
	(41,227)	168,513
Total tax expense	1,660,638	1,254,688
Reconciliation of effective tax rate		
Profit for the year	10,688,666	7,492,511
Total tax expense	1,660,638	1,254,688
Profit before tax	12,349,304	8,747,199
Tax using Singapore tax rate at 17% (2017: 17%)	2,099,383	1,487,024
Effect of tax rates in foreign jurisdictions	(252,797)	(243,367)
Effect of results of equity-accounted investee presented net of tax	(87,912)	55,484
Income not subject to tax	(72,751)	(55,509)
Tax incentives	(191,799)	(404,610)
Non-deductible expenses	479,347	387,102
Current year tax losses and temporary differences for which no deferred tax asset was recognised	1,094,521	1,101,046
Recognition of tax effect of previously unrecognised tax losses and temporary differences	(1,363,477)	(1,109,162)
(Over) / Under provided in prior years	(45,664)	36,810
Others	1,787	(130)
	1,660,638	1,254,688

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22 Share-based Incentive Plans

At 31 December 2018, the Group has the following share-based incentive plans.

Share-based incentive plans of the Company

Performance Share Plan

(i) The iFAST Corporation Performance Share Plan (the "PSP") was approved by the shareholders on 21 October 2014 prior to the Company's listing on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 11 December 2014.

(ii) The PSP is administered by the Remuneration Committee (the "RC") comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

(iii) Other information regarding the PSP are set out below:

- those eligible to participate in the PSP comprise Executive Directors and confirmed employees of the Company, its subsidiaries and its associated companies, who have attained the age of twenty-one years as of the award date, and who hold such rank as may be designated by our RC from time to time, and Non-Executive Directors (including the Independent Directors) of the Company and its subsidiaries.
- awards represent the right of a participant to receive fully paid shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period. A participant's award under the PSP will be determined at the discretion of the RC.
- the total number of shares which may be issued or transferred pursuant to awards granted under the PSP, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) from time to time.
- the total number of shares over which awards may be granted under the PSP to controlling shareholders and their associates shall not exceed 25% of the shares available under the PSP, and the number of shares over which an award may be granted under the PSP to each controlling shareholder or his associate shall not exceed 10% of the shares available under the PSP.
- the PSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing on 21 October 2014, provided always that the PSP may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.
- notwithstanding the expiry or termination of the PSP, any awards made to participants prior to such expiry or termination will continue to remain valid.

At the end of the financial year, details of the performance shares granted under the PSP are as follows:

Date of grant of performance shares	Price per share	Performance shares outstanding at 1 January 2017	Performance shares granted	Performance shares vested	Performance shares forfeited	Performance shares outstanding at 31 December 2017	Number of performance shareholders at 31 December 2017
1 March 2015	$1.370	1,652,100	–	549,700	123,500	978,900	122
1 May 2015	$1.365	70,500	–	23,600	–	46,900	6
1 March 2016	$1.275	1,240,600	–	–	145,600	1,095,000	131
1 May 2016	$1.210	173,200	–	–	–	173,200	6
1 April 2017	$0.715	–	1,919,600	–	178,600	1,741,000	178
1 May 2017	$0.715	–	132,800	–	–	132,800	5
		3,136,400	2,052,400	573,300	447,700	4,167,800	

22 Share-based Incentive Plans (continued)

Performance Share Plan (continued)

Date of grant of performance shares	Price per share	Performance shares outstanding at 1 January 2018	Performance shares granted	Performance shares vested	Performance shares forfeited	Performance shares outstanding at 31 December 2018	Number of performance shareholders at 31 December 2018
1 March 2015	$1.370	978,900	–	978,500	400	–	–
1 May 2015	$1.365	46,900	–	46,900	–	–	–
1 March 2016	$1.275	1,095,000	–	368,800	21,900	704,300	124
1 May 2016	$1.210	173,200	–	58,000	–	115,200	6
1 April 2017	$0.715	1,741,000	–	–	71,000	1,670,000	160
1 May 2017	$0.715	132,800	–	–	–	132,800	5
1 March 2018	$0.910	–	3,785,800	–	105,400	3,680,400	220
1 May 2018	$0.915	–	91,600	–	–	91,600	6
		4,167,800	3,877,400	1,452,200	198,700	6,394,300	

Measurement of fair values

The fair value of services received in return for performance shares are measured by reference to the market price of the ordinary share of the Company on the grant date.

Employee Share Option Scheme

(i) The iFAST Employee Share Option Scheme (the "ESOS") was approved by the shareholders on 21 October 2014 prior to the Company's listing on the SGX-ST on 11 December 2014.

(ii) The ESOS is administered by the RC comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

(iii) Other information regarding the ESOS are set out below:

- those eligible to participate in the ESOS comprise Executive Directors and confirmed employees of the Company, its subsidiaries and its associated companies, and Non-Executive Directors (including the Independent Directors).
- there are no fixed periods for the grant of options and the offers of the grant of options may be made at any time from time to time at the discretion of the RC.
- subject to the provisions of the ESOS, options granted under the ESOS will have a life span of 10 years for options granted to Group employees (other than Non-Executive Directors and/or employees of associated companies) and 5 years for options granted to Non-Executive Directors and/or employees of associated companies.
- the aggregate number of shares over which the RC may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share scheme of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made. The exercise price of an option may, at the discretion of the RC, be set at a discount subject to the maximum discount of 20% of the average of the last dealt prices for a share for 5 consecutive market days immediately prior to the date of grant of the option.
- the total number of shares over which options may be granted under the ESOS to controlling shareholders and their associates shall not exceed 25% of the shares available under the ESOS, and the number of shares over which an option may be granted under the ESOS to each controlling shareholder or his associate shall not exceed 10% of the shares available under the ESOS.

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22 Share-based Incentive Plans (continued)

Employee Share Option Scheme (continued)

(iii) Other information regarding the ESOS are set out below: (continued)

- the ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- shares arising from the exercise of options are subject to the provisions of the Memorandum of Association and Articles of the Company. Shares allotted and issued, and existing shares procured by the Company for transfer, upon the exercise of an option shall rank *pari passu* in all respects with the then existing issued shares.

(iv) At the end of the financial year, no options have been granted under the ESOS.

Share Option Scheme 2013

(i) The iFAST 2013 Share Option Scheme (the "2013 Scheme") of the Company was approved and adopted by the shareholders at an Annual General Meeting held on 23 May 2013. The amendments to the 2013 Scheme were passed by the shareholders at an Extraordinary General Meeting held on 20 August 2014.

(ii) Upon the listing of the Company's shares on SGX-ST on 11 December 2014, the 2013 Scheme was terminated. This will not affect all options remaining unexercised.

(iii) The 2013 Scheme is administered by the RC comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

(iv) Other information regarding the 2013 Scheme is set out below:

- those eligible to participate in the 2013 Scheme comprise confirmed full-time executives, including Directors and a controlling shareholder and his associates, who have been employed by the Company, its subsidiaries and its associated companies in the absolute discretion of the RC.
- the 2013 Scheme will continue in operation at the discretion of the RC, subject to a maximum period of 10 years commencing on 23 May 2013, provided that the 2013 Scheme may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting.

Share Option Scheme 2003

(i) The iFAST Share Option Scheme (the "2003 Scheme") of the Company was approved and adopted by the shareholders at an Extraordinary General Meeting held on 28 March 2003.

(ii) The 2003 Scheme was terminated on 23 May 2013 by a resolution passed by the shareholders at an Annual General Meeting. This will not affect all options remaining unexercised.

(iii) The 2003 Scheme is administered by the RC comprising Yao Chih Matthias, Kok Chee Wai and Toh Teng Peow David.

(iv) Other information regarding the 2003 Scheme are set out below:

- those eligible to participate in the 2003 Scheme comprise confirmed full-time executives, including Directors, who have been employed by the Company and/or its subsidiaries for a continuous period of at least six months and any Non-Executive Directors and consultants of the Company and/or its subsidiaries who, in the absolute discretion of the RC, are selected to participate in the 2003 Scheme.
- subject to the provisions in the rules of the 2003 Scheme, the option granted expires on (i) (in the case of executives) the day preceding the tenth anniversary of the date of the grant of the option or (ii) (in the case of Non–Executive Directors and consultants) the day preceding the fifth anniversary of the date of the grant of the option.
- the options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

22 Share-based Incentive Plans (continued)

At the end of the financial year, details of the options granted, after the subdivision of every 1 share option into 6 share options in conjunction with subdivision of every 1 ordinary share into 6 ordinary shares on 20 November 2014, under the share-based incentive plans in respect of unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2017	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2017	Number of option holders at 31 December 2017	Date of expiration
1 July 2009	$0.27	85,000	–	47,500	–	37,500	1	30 June 2019
1 July 2010	$0.40	153,600	–	19,600	–	134,000	4	30 June 2020
1 July 2013	$0.42	2,727,548	–	918,486	–	1,809,062	37	30 June 2023
1 April 2014	$0.60	3,960,306	–	1,529,517	42,750	2,388,039	82	31 March 2024
21 August 2014	$0.63	420,000	–	120,000	–	300,000	1	20 August 2024
		7,346,454	–	2,635,103	42,750	4,668,601		

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2018	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2018	Number of option holders at 31 December 2018	Date of expiration
1 July 2009	$0.27	37,500	–	–	–	37,500	1	30 June 2019
1 July 2010	$0.40	134,000	–	50,000	–	84,000	2	30 June 2020
1 July 2013	$0.42	1,809,062	–	297,800	–	1,511,262	29	30 June 2023
1 April 2014	$0.60	2,388,039	–	467,861	–	1,920,178	63	31 March 2024
21 August 2014	$0.63	300,000	–	–	–	300,000	1	20 August 2024
		4,668,601	–	815,661	–	3,852,940		

	Share option scheme 2013		Share option scheme 2003	
	Weighted average exercise price 2017	No. of options 2017	Weighted average exercise price 2017	No. of options 2017
At 1 January	0.53	7,107,854	0.35	238,600
Exercised	0.54	(2,568,003)	0.31	(67,100)
Forfeited/Expired	0.60	(42,750)	–	–
At 31 December	0.53	4,497,101	0.37	171,500
Number of options exercisable at 31 December 2017	0.53	4,497,101	0.37	171,500

	Share option scheme 2013		Share option scheme 2003	
	Weighted average exercise price 2018	No. of options 2018	Weighted average exercise price 2018	No. of options 2018
At 1 January	0.53	4,497,101	0.37	171,500
Exercised	0.53	765,661	0.40	50,000
At 31 December	0.53	3,731,440	0.36	121,500
Number of options exercisable at 31 December 2018	0.53	3,731,440	0.36	121,500

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22 Share-based Incentive Plans (continued)

The options outstanding at 31 December 2018 have an exercise price in the range of $0.27 to $0.63 (2017: $0.27 to $0.63) and a weighted-average contractual life of 4.9 years (2017: 5.8 years).

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $1.04 (2017: $0.90) per share.

Measurement of fair values

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Binomial Model. The share prices applied to the model are based on last-transacted prices of the Company's ordinary shares. The expected life used in the model has been adjusted based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options and assumptions

Date of grant of options	21 August 2014	1 April 2014	1 July 2013	1 July 2010	1 July 2009
Fair value at measurement date^	0.85	0.80	0.49	0.21	0.48
Share price^	$3.80	$3.60	$2.50	$2.40	$1.60
Exercise price^	$3.80	$3.60	$2.50	$2.40	$1.60
Expected volatility	31.3%	25.8%	21.4%	7.4%	38.9%
Expected option life (days)	1,095	1,460	1,460	1,460	1,460
Expected dividends	$0.12	$0.12	$0.03	$0.10	$0.10
Risk-free interest rate	2.75%	2.75%	2.25%	2.50%	3.13%

^ Before subdivision of every 1 share option into 6 share options in conjunction with subdivision of every 1 ordinary share into 6 ordinary shares on 20 November 2014.

The expected volatility is based on the one year historic volatility of the Company's share price, adjusted for any expected changes to future volatility.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

22 Share-based Incentive Plans (continued)

Share-based incentive plan of a subsidiary

iFAST China 2017 Employee Share Option Scheme

The iFAST China 2017 Employee Share Option Scheme (the "iFAST China 2017 ESOS") was approved by the shareholders of iFAST China Holdings Pte. Ltd., a subsidiary of the Company, on 31 March 2017.

At the end of the financial year, details of the options granted under the iFAST China 2017 ESOS on the unissued ordinary shares of iFAST China Holdings Pte. Ltd. are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2017	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2017	Number of option holders at 31 December 2017	Date of expiration
1 April 2017	$0.31	–	21,923,700	–	910,100	21,013,600	33	31 March 2027

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2018	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2018	Number of option holders at 31 December 2018	Date of expiration
1 April 2017	$0.31	21,013,600	–	–	1,098,500	19,915,100	29	31 March 2027
1 August 2018	$0.31	–	6,197,200	–	144,300	6,052,900	38	31 July 2028
		21,013,600	6,197,200	–	1,242,800	25,968,000		

	iFAST China 2017 ESOS	
	Weighted average exercise price 2017	No. of options 2017
At 1 January	–	–
Granted	0.31	21,923,700
Exercised	–	–
Forfeited/Expired	0.31	(910,100)
At 31 December	0.31	21,013,600
Number of options exercisable at 31 December 2017	–	–

	iFAST China 2017 ESOS	
	Weighted average exercise price 2018	No. of options 2018
At 1 January	0.31	21,013,600
Granted	0.31	6,197,200
Exercised	–	–
Forfeited/Expired	0.31	(1,242,800)
At 31 December	0.31	25,968,000
Number of options exercisable at 31 December 2018	–	–

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22 Share-based Incentive Plans (continued)

Share-based incentive plan of a subsidiary (continued)

Measurement of fair values

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Binomial Model. The share prices applied to the model are based on last-transacted prices of the subsidiary's ordinary shares. The expected life used in the model has been adjusted based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options and assumptions

Date of grant of options	1 August 2018	1 April 2017	1 April 2017
Fair value at measured date	0.061	0.060	0.046
Share price	$0.31	$0.31	$0.31
Exercise price	$0.31	$0.31	$0.31
Expected volatility	6.43%	11.22%	11.22%
Expected option life (days)	2,920	2,555	1,825
Expected dividends	–	–	–
Risk-free interest rate	2.63%	2.13%	2.13%

The expected volatility is based on the one year historic volatility of the share price of the subsidiary or the Company, adjusted for any expected changes to future volatility.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

23 Earnings Per Share

Basic earnings per share

	Group	
	2018 $	2017 $
		Restated
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	10,913,578	7,699,997

	Group	
	Number of shares 2018	Number of shares 2017
Issued ordinary shares at 1 January	264,672,618	262,223,415
Effect of share options exercised	316,675	1,363,328
Effect of treasury shares purchased	(136,500)	(602,733)
Effect of treasury shares re-issued	1,192,683	473,817
Weighted average number of ordinary shares during the year	266,045,476	263,457,827
Basic earnings per share (cents)	4.10	2.92

23 Earnings Per Share (continued)

Diluted earnings per share

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options under the Share Option Schemes and the dilutive share awards under the Performance Share Plan, with the potential ordinary shares weighted for the period outstanding.

	Group	
	2018 $	2017 $
		Restated
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	10,913,578	7,699,997

The effect of the exercise of share options and the vesting of share awards on the weighted average number of ordinary shares in issue is as follows:

	Group	
	Number of shares 2018	Number of shares 2017
Weighted average number of:		
Ordinary shares used in the calculation of basic earnings per share	266,045,476	263,457,827
Potential ordinary shares issuable under:		
- Share Option Schemes and Performance Share Plan	6,049,793	4,999,808
Weighted average number of ordinary issued and potential shares issuable assuming full conversion during the year	272,095,269	268,457,635
Diluted earnings per share (cents)	4.01	2.87

At 31 December 2018, no shares (2017: Nil) were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

24 Operating Segments

The Group has four reportable segments, namely its operations in Singapore, Hong Kong, Malaysia and China, which are the Group's strategic business locations. The Group's operation in China is still in the start-up phase.

The strategic business locations are managed separately. For each of the strategic business units, the Chairman and CEO reviews internal management reports on a monthly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Chairman and CEO. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

In presenting information on the basis of geographical segments, segment revenue is based on a geographical location of customers. Segment non-current assets are based on a geographical location of the assets.

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24 Operating Segments (continued)

Geographical segments are analysed by four principal geographical areas as follows:

Information about reportable segments

	Singapore $	Hong Kong $	Malaysia $	China $	Total $
2018					
Revenue and expenses					
Revenue from external customers	81,531,484	28,486,589	10,479,491	745,546	121,243,110
Inter-segment revenue	1,698,035	40,573	2,130,989	53,504	3,923,101
Total revenue	83,229,519	28,527,162	12,610,480	799,050	125,166,211
Finance income	756,450	75,631	129,981	41,103	1,003,165
Depreciation of plant and equipment	(759,639)	(338,170)	(246,884)	(325,662)	(1,670,355)
Amortisation of intangible assets	(3,594,025)	(129,881)	(44,981)	(150,310)	(3,919,197)
Reportable segment profit/(loss) before tax	11,861,820	3,420,197	1,369,625	(4,819,466)	11,832,176
Share of results of associates	517,128	–	–	–	517,128
Assets and liabilities					
Reportable segment assets	74,109,615	69,085,943	5,611,907	6,224,759	155,032,224
Equity-accounted associates	2,950,878	–	–	–	2,950,878
Capital expenditure	8,223,930	2,175,506	299,008	28,882	10,727,326
Reportable segment liabilities	60,609,223	8,822,652	2,682,517	513,881	72,628,273
2017					
Revenue and expenses					
Revenue from external customers	72,571,778	20,682,363	7,397,003	515,520	101,166,664
Inter-segment revenue	783,750	58,180	1,929,486	37,694	2,809,110
Total revenue	73,355,528	20,740,543	9,326,489	553,214	103,975,774
Finance income	590,573	8,512	120,711	20,196	739,992
Depreciation of plant and equipment	(657,439)	(171,580)	(146,305)	(393,831)	(1,369,155)
Amortisation of intangible assets	(2,502,127)	(125,610)	(36,294)	(211,239)	(2,875,270)
Reportable segment profit/(loss) before tax, restated	10,621,202	1,766,821	1,066,502	(4,380,950)	9,073,575
Share of results of associates	(326,376)	–	–	–	(326,376)
Assets and liabilities					
Reportable segment assets	82,928,257	21,546,328	5,079,638	5,564,138	115,118,361
Equity-accounted associates	1,615,885	–	–	–	1,615,885
Capital expenditure	6,639,725	137,755	284,870	403,706	7,466,056
Reportable segment liabilities	24,325,357	9,250,462	1,612,649	292,849	35,481,317
1 January 2017					
Assets and liabilities					
Reportable segment assets	73,011,336	13,672,716	3,391,975	3,222,903	93,298,930
Equity-accounted associates	1,829,085	–	–	–	1,829,085
Capital expenditure	5,549,903	428,857	244,337	391,434	6,614,531
Reportable segment liabilities	11,082,509	3,647,576	1,162,901	639,277	16,532,263

24 Operating Segments (continued)

Information about reportable segments (continued)

Reconciliations of reportable segment revenues, profit and loss, assets and liabilities and other material items:

	2018 $	2017 $
		Restated
Revenue		
Total revenue for reportable segments	125,166,211	103,975,774
Elimination of inter-segment revenue	(3,923,101)	(2,809,110)
Consolidated revenue	121,243,110	101,166,664
Profit or loss		
Total profit before tax for reportable segments	11,832,176	9,073,575
Share of results of associates	517,128	(326,376)
Consolidated profit before tax	12,349,304	8,747,199

	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Assets			
Total assets for reportable segments	155,032,224	115,118,361	93,298,930
Investment in associates	2,950,878	1,615,885	1,829,085
Consolidated total assets	157,983,102	116,734,246	95,128,015
Liabilities			
Total liabilities for reportable segments	72,628,273	35,481,317	16,532,263

	Reportable segment total $	Adjustment $	Consolidated total $
2018			
Other material items			
Finance income	1,003,165	–	1,003,165
Capital expenditure	10,727,326	–	10,727,326
Depreciation and amortisation	(5,589,552)	–	(5,589,552)
2017			
Other material items			
Finance income	739,992	–	739,992
Capital expenditure	7,466,056	–	7,466,056
Depreciation and amortisation	(4,244,425)	–	(4,244,425)

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25 Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note present information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. The credit quality of customers is assessed after taking into account its financial position and past experience with the customers.

At the reporting date, other than bank balances which are placed with regulated financial institutions and investments in debt instruments, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk for uncompleted contracts receivables and trade and other receivables at the reporting date by type of counterparty was:

	31 Dec 2018 $	31 Dec 2017 $	1 Jan 2017 $
Group			
Distributors	5,146,278	5,081,646	1,831,422
Retail customers	15,996,466	15,091,511	9,500,412
Others (including amounts due from related parties)	6,550,578	6,238,494	3,964,144
	27,693,322	26,411,651	15,295,978
Company			
Retail customers	4,000	69,410	24,325
Others (including amounts due from subsidiaries and related parties)	60,786,912	7,523,253	1,932,322
	60,790,912	7,592,663	1,956,647

25 **Financial Risk Management (continued)**

Credit risk (continued)

Expected credit loss

*Uncompleted contracts receivables and trade and other receivable*s

The Group's concentration of credit risk relating to uncompleted contracts receivables and trade and other receivables is limited due to the Group's many varied customers and the credit quality of its uncompleted contracts receivables and trade and other receivables is within acceptable risk. The Group's historical experience in the collection of uncompleted contracts receivables and trade and other receivables falls within the recorded allowances, and the uncompleted contracts receivables from clients are substantially secured by clients' deposits with the Group. Due to these factors, Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's uncompleted contracts receivables and trade and other receivables.

Debt investments

The Group limits its exposure to credit risk on debt investments held by investing only in liquid marketable debt securities and dealing with counterparties with good credit rating. Management actively monitors credit ratings and given that the Group invests in securities with good credit rating, management does not expect any counterparty to fail to meet its obligations.

12-month and lifetime probabilities of default are based on historical data for each credit rating and are recalibrated based on current bond yields and CDS prices. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

The amount of the allowance on debt investments at FVOCI was insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $61,301,336 and $4,155,877 respectively at the reporting date (31 Dec 2017: $33,498,489 and $8,452,278 respectively; 1 Jan 2017: $22,463,675 and $3,594,802 respectively). These figures represent their maximum credit exposures on these assets. The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Non-trade amounts due from subsidiaries and related parties

These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The Company uses a similar approach for assessment of ECLs for these receivables to those used for debt investments. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

25 Financial Risk Management (continued)

Credit risk (continued)

Impairment losses

The ageing of uncompleted contracts receivables and trade and other receivables (excluding accrued revenue) at the reporting date was:

	Gross 31 Dec 2018 $	Impairment losses 31 Dec 2018 $	Gross 31 Dec 2017 $	Impairment losses 31 Dec 2017 $	Gross 1 Jan 2017 $	Impairment losses 1 Jan 2017 $
Group						
Not past due	27,256,684	–	25,908,858	–	15,053,440	–
Past due 0 – 30 days	236,421	–	365,490	–	84,163	–
Past due 31 – 90 days	82,451	–	18,795	–	34,308	–
Past due more than 90 days	117,766	–	118,508	–	124,067	–
	27,693,322	–	26,411,651	–	15,295,978	–
Company						
Not past due	60,790,912	–	7,592,663	–	1,956,647	–

The movement in the allowance for impairment losses in respect of trade and other receivables during the year was as follows:

	2018 $	2017 $
At 1 January	–	–
Amounts written off	–	–
At 31 December	–	–

No uncompleted contracts receivables as at the reporting date are past due. The trade and other receivables that are past due more than 90 days consist mainly of commission and fee income significantly payable to third party financial advisers. The Group's maximum exposure will be the outstanding balance after the payable amount to third party financial advisers. The past due receivables are also substantially secured by clients' assets under administration with the Group.

The Group believes that, apart from the above, no additional impairment allowance is required in respect of the remaining receivables as these amounts mainly relate to customers with good credit and payment records with the Group.

25 Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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

	Note	Carrying amounts $	Contractual cash flows $	Within 1 year $	Within 1 to 5 years $
Group					
31 December 2018					
Non-derivative financial liabilities					
Uncompleted contracts - sellers		10,929,363	(10,929,363)	(10,929,363)	–
Trade and other payables	15	21,080,408	(21,080,408)	(21,080,408)	–
Finance lease liabilities	16	13,005	(14,672)	(6,506)	(8,166)
		32,022,776	(32,024,443)	(32,016,277)	(8,166)
31 December 2017					
Non-derivative financial liabilities					
Uncompleted contracts - sellers		8,936,125	(8,936,125)	(8,936,125)	–
Trade and other payables	15	24,252,462	(24,252,462)	(24,252,462)	–
Finance lease liabilities	16	18,509	(21,882)	(6,722)	(15,160)
		33,207,096	(33,210,469)	(33,195,309)	(15,160)
1 January 2017					
Non-derivative financial liabilities					
Uncompleted contracts - sellers		–	–	–	–
Trade and other payables	15	15,523,417	(15,523,417)	(15,523,417)	–
Finance lease liabilities	16	23,457	(29,036)	(6,823)	(22,213)
		15,546,874	(15,552,453)	(15,530,240)	(22,213)

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25 Financial Risk Management (continued)

Liquidity risk (continued)

	Note	Carrying amounts $	Contractual cash flows $	Within 1 year $	Within 1 to 5 years $
Company					
31 December 2018					
Non-derivative financial liabilities					
Trade and other payables	15	27,375,304	(27,375,304)	(27,375,304)	–
Recognised financial liabilities		27,375,304	(27,375,304)	(27,375,304)	–
Intra-group financial guarantee		–	(9,497,860)	(9,497,860)	–
		27,375,304	(36,873,164)	(36,873,164)	–
31 December 2017					
Non-derivative financial liabilities					
Trade and other payables	15	14,321,769	(14,321,769)	(14,321,769)	–
Recognised financial liabilities		14,321,769	(14,321,769)	(14,321,769)	–
Intra-group financial guarantee		–	(9,230,756)	(9,230,756)	–
		14,321,769	(23,552,525)	(23,552,525)	–
1 January 2017					
Non-derivative financial liabilities					
Trade and other payables	15	15,326,132	(15,326,132)	(15,326,132)	–
Recognised financial liabilities		15,326,132	(15,326,132)	(15,326,132)	–
Intra-group financial guarantee		–	(9,954,758)	(9,954,758)	–
		15,326,132	(25,280,890)	(25,280,890)	–

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. Except for the cash flow arising from the intra-group financial guarantee, it is not expected that the cash flows included in the maturity analyses above could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Foreign currency risk

The currency exposure arising from operating activities of the Group is naturally hedged as the Group's incomes and expenses, trade and other receivables and trade and other payables are substantially denominated in the respective functional currencies of the Group entities. The Group is exposed to transactional foreign currency risk mainly to the extent that there is a mismatch between the currencies in financial assets and borrowings, including intercompany balances, that are denominated in a currency other than the respective functional currencies of Group entities. Interest on borrowings is denominated in the currency of the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge without derivatives being entered into. In addition, the Group also has investments in foreign subsidiaries whose net assets are exposed to currency translation risk.

Taking into consideration the quantum and impact of our foreign currency exposure as well as the transaction costs of any hedging policy, and the prevailing economic and operating conditions, we do not hedge against currency risk using derivatives. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

25 **Financial Risk Management (continued)**

Market risk (continued)

Foreign currency risk (continued)

The Group's exposures to foreign currency risk were as follows based on nominal amounts:

	US dollar $	Euro $	Pound sterling $	Australia dollar $	Chinese yuan $	Hong Kong dollar $	New Zealand dollar $	Malaysia ringgit $
Group								
31 December 2018								
Financial assets at FVOCI	212,825	–	–	–	–	–	–	–
Financial assets at FVTPL	3,177,497	–	–	–	–	–	–	202,224
Trade and other receivables	340,301	1,067	172	5,324	652	–	–	374
Cash and cash equivalents	2,549,924	77,807	69,017	111,096	305,554	10,960,477	12,961	640,756
	6,280,547	78,874	69,189	116,420	306,206	10,960,477	12,961	843,354
31 December 2017								
Financial assets at FVOCI	955,615	–	–	–	409,455	–	–	–
Financial assets at FVTPL	3,024,036	–	–	–	–	–	–	636,121
Trade and other receivables	113,813	2,598	171	4,127	8,764	–	–	–
Cash and cash equivalents	3,234,962	49,472	57,482	229,617	380,738	23,322	11,451	411,753
	7,328,426	52,070	57,653	233,744	798,957	23,322	11,451	1,047,874
1 January 2017								
Financial assets at FVOCI	5,212,908	–	–	–	550,281	327,445	–	–
Financial assets at FVTPL	3,137,682	–	–	–	–	–	–	–
Trade and other receivables	40,153	–	–	–	3,901	–	–	–
Cash and cash equivalents	3,790,397	80,313	75,032	60,248	312,429	43,104	–	–
	12,181,140	80,313	75,032	60,248	866,611	370,549	–	–

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25 Financial Risk Management (continued)

Market risk (continued)

Foreign currency risk (continued)

The Company's exposures to foreign currency risk were as follows based on nominal amounts:

	US dollar $	Euro $	Australia dollar $	Chinese yuan $	Hong Kong dollar $	Malaysia ringgit $
Company						
31 December 2018						
Financial assets at FVOCI	212,825	–	–	–	–	–
Financial assets at FVTPL	3,177,497	–	–	–	–	202,224
Loans to subsidiaries	–	–	–	–	25,380,958	–
Non-trade amounts due from subsidiaries	–	–	–	–	10,806,600	–
Cash and cash equivalents	1,108,297	7,809	9,646	2,471	21	640,756
Bank loans	–	–	–	–	(25,381,227)	–
Non-trade amounts due to subsidiaries	–	–	–	–	(3,834,600)	–
	4,498,619	7,809	9,646	2,471	6,971,752	842,980
31 December 2017						
Financial assets at FVOCI	955,615	–	–	409,455	–	–
Financial assets at FVTPL	3,024,036	–	–	–	–	636,121
Cash and cash equivalents	1,798,764	–	117,885	41,909	–	411,753
	5,778,415	–	117,885	451,354	–	1,047,874
1 January 2017						
Financial assets at FVOCI	5,212,908	–	–	550,281	327,445	–
Financial assets at FVTPL	3,137,682	–	–	–	–	–
Cash and cash equivalents	1,347,671	–	–	25,757	26,543	–
	9,698,261	–	–	576,038	353,988	–

In 2018, the Company drew down bank loans with the carrying amount of $37,354,246, comprising $25,381,227 denominated in Hong Kong dollar and $11,973,019 denominated in Singapore dollar, at the reporting date. The bank loans taken up are for the financing of initial capital for the virtual banking business in Hong Kong that the Group is pursuing through a subsidiary in Hong Kong.

25 Financial Risk Management (continued)

Market risk (continued)

Foreign currency risk (continued)

Sensitivity analysis

A 5% strengthening of Singapore dollar, as indicated below, against the following currencies at 31 December would decrease profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2017.

	Group Profit or loss		Company Profit or loss	
	2018 $	2017 $	2018 $	2017 $
US dollar	303,386	318,640	214,290	241,140
Euro	3,944	2,603	390	–
Pound sterling	3,459	2,883	–	–
Australia dollar	5,821	11,687	482	5,894
Chinese yuan	15,310	19,475	124	2,095
Hong Kong dollar	548,024	1,166	348,588	–
New Zealand dollar	648	573	–	–
Malaysia ringgit	42,168	52,394	42,149	53,394
	922,760	409,421	606,023	302,523

	Group Equity		Company Equity	
	2018 $	2017 $	2018 $	2017 $
US dollar	10,641	47,781	10,641	47,781
Chinese yuan	–	20,473	–	20,473
	10,641	68,254	10,641	68,254

A 5% weakening of Singapore dollar against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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25 Financial Risk Management (continued)

Market risk (continued)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial assets and liabilities. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which interest income could be impacted from an adverse movement in interest rates.

Sensitivity analysis for fixed rate instruments

At the reporting date, the Group's and the Company's exposures to fixed rate financial assets were as follows based on nominal amounts:

	2018 $	2017 $
Financial assets debt investments at FVOCI	207,343	1,663,440
Financial assets debt investments at FVTPL	5,000,458	6,414,352
	5,207,801	8,077,792

A change of 15 basis points in interest rates at the reporting date would have increased or decreased equity and profit or loss by approximately $80 (2017: $3,000) and $18,000 (2017: $28,000) for the Group and the Company respectively. This analysis assumes that all other variables remain constant.

Sensitivity analysis for variable rate instruments

For interest-bearing financial instruments, a change of 15 basis points (bp) in interest rate at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	2018 Profit or loss		2017 Profit or loss	
	15 bp increase $	15 bp decrease $	15 bp increase $	15 bp decrease $
Group				
Cash and cash equivalents	560,905	(560,905)	463,440	(463,440)
Company				
Cash and cash equivalents	6,234	(6,234)	12,678	(12,678)

Price risk

The Group's exposure to price risk relates to changes in the dealing price of unit trust, exchange-traded funds, debt securities and Singapore government securities for unexecuted orders placed. The Group has established procedures to detect such orders and to report such incidences to Management. The Management has also taken up a professional indemnity insurance and the amount insured is reviewed annually. The Group's exposure to price risk also includes the risk that changes in market prices will affect the Group's income or the value of its holdings in investments in equity and debt securities.

Sensitivity analysis – securities price risk

A 5% increase in the underlying security prices of the Group's and the Company's investments in financial assets at FVOCI at the reporting date would increase equity by $749,520 (2017: $799,917) and $545,007 (2017: $799,917) respectively. A 5% increase in the underlying security prices of the Group's and the Company's investment in financial assets at FVTPL at the reporting date would increase profit or loss by $709,389 (2017: $381,341) and $309,389 (2017: $381,341) respectively. This analysis assumes that all other variables remain constant.

A 5% decrease in the underlying security prices would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

25 Financial Risk Management (continued)

Offsetting financial assets and financial liabilities

The Group enters into service agreements with third party financial advisers. In general, under such agreements the commission and fee shall only be due and payable to third party financial advisers upon the Group's receipt of the corresponding amounts from customers.

For trading account agreements between the Group and the respective counterparties, these agreements provide the Group with an unconditional right to set-off of all outstanding transactions with each counterparty that is enforceable at all times. Notwithstanding that the Group has an unconditional set-off right, the Group presents the balances arising from transactions with counterparties on a gross basis as the Group does not intend to settle the balances with the customers on a net basis in the normal course of business.

The following table sets out the carrying amounts of recognised financial instruments that are not offset.

	Note	Gross amounts of recognised financial instruments $	Gross amounts of recognised financial instruments offset in the statement of financial position $	Net amounts of financial instruments included in the statements of financial position $	Related financial instruments that are not offset $	Net amount $
Group						
31 December 2018						
Financial assets						
Trade receivables and accrued revenue	8	23,460,841	–	23,460,841	(10,433,757)	13,027,084
Uncompleted contracts-buyers		10,958,157	–	10,958,157	(4,058,533)	6,899,624
		34,418,998	–	34,418,998	(14,492,290)	19,926,708
Financial liabilities						
Trade payables and accrued operating expenses	15	20,598,311	–	20,598,311	(10,433,757)	10,164,554
Uncompleted contracts-sellers		10,929,363	–	10,929,363	(4,058,533)	6,870,830
		31,527,674	–	31,527,674	(14,492,290)	17,035,384
31 December 2017						
Financial assets						
Trade receivables and accrued revenue	8	21,896,640	–	21,896,640	(9,994,531)	11,902,109
Uncompleted contracts-buyers		9,055,702	–	9,055,702	(2,596,874)	6,458,828
		30,952,342	–	30,952,342	(12,591,405)	18,360,937
Financial liabilities						
Trade payables and accrued operating expenses	15	23,976,934	–	23,976,934	(9,994,531)	13,982,403
Uncompleted contracts-sellers		8,936,125	–	8,936,125	(2,596,874)	6,339,251
		32,913,059	–	32,913,059	(12,591,405)	20,321,654
1 January 2017						
Financial assets						
Trade receivables and accrued revenue	8	20,126,811	–	20,126,811	(8,576,875)	11,549,936
Financial liabilities						
Trade payables and accrued operating expenses	15	15,140,295	–	15,140,295	(8,576,875)	6,563,420

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25 Financial Risk Management (continued)

Offsetting financial assets and financial liabilities (continued)

	Note	Gross amounts of recognised financial instruments $	Gross amounts of recognised financial instruments offset in the statement of financial position $	Net amounts of financial instruments included in the statements of financial position $	Related financial instruments that are not offset $	Net amount $
Company						
31 December 2018						
Financial assets						
Trade receivables and accrued revenue	8	184,116	–	184,116	–	184,116
Financial liabilities						
Trade payables and accrued operating expenses	15	4,245,637	–	4,245,637	–	4,245,637
31 December 2017						
Financial assets						
Trade receivables and accrued revenue	8	249,526	–	249,526	–	249,526
Financial liabilities						
Trade payables and accrued operating expenses	15	8,586,952	–	8,586,952	–	8,586,952
1 January 2017						
Financial assets						
Trade receivables and accrued revenue	8	202,852	–	202,852	–	202,852
Financial liabilities						
Trade payables and accrued operating expenses	15	2,662,972	–	2,662,972	–	2,662,972

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statements of financial position that are disclosed in the above tables are measured in the statements of financial position at amortised cost.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders value. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group manages its capital structure and makes alignment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may align the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a net debt to equity ratio. For this purpose, net debt is defined as total liabilities less cash and cash equivalents and investment in financial assets under current assets. The Group records a net cash position of $12,788,816 as at 31 December 2018 (31 Dec 2017: $20,429,855; 1 Jan 2017: $38,058,864).

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

Some of the subsidiaries are required to maintain sufficient financial resources by the local regulators in the respective jurisdictions in which they operate to ensure that the relevant regulatory limits are complied with.

25 Financial Risk Management (continued)

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment in financial instruments

The fair value of investment in equity securities and debt securities is determined by reference to its bid price or recent transaction price at the reporting date.

Intra-group financial guarantees

The value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the bank with these guarantees made available, with the estimated rates that the banks would have charged had these guarantees not been available.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows.

		Total carrying amount					Fair value	
	Note	Amortised costs $	FVOCI-financial instruments $	FVTPL-financial instruments $	Other financial liabilities $	Total $	Level 1 $	Level 3 $
Group								
31 December 2018								
Financial assets measured at fair value								
Unquoted equity shares	9	–	5,062,429	–	–	5,062,429	–	5,062,429*
Quoted financial assets at FVOCI	9	–	9,927,970	–	–	9,927,970	9,927,970	–
Quoted financial assets at FVTPL	9	–	–	14,187,783	–	14,187,783	14,187,783	–
		–	14,990,399	14,187,783	–	29,178,182	24,115,753	5,062,429
Financial assets not measured at fair value								
Cash and cash equivalents	11	61,301,336	–	–	–	61,301,336		
Uncompleted contracts - buyers		10,958,157	–	–	–	10,958,157		
Trade and other receivables	8	30,011,420	–	–	–	30,011,420		
		102,270,913	–	–	–	102,270,913		
Financial liabilities not measured at fair value								
Uncompleted contracts - sellers		–	–	–	(10,929,363)	(10,929,363)		
Trade and other payables	15	–	–	–	(21,080,408)	(21,080,408)		
Bank loans	17	–	–	–	(37,354,246)	(37,354,246)		
		–	–	–	(69,364,017)	(69,364,017)		

*Based on most recent transaction price.

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YEAR ENDED 31 DECEMBER 2018

25 Financial Risk Management (continued)

Determination of fair values (continued)

Accounting classifications and fair values (continued)

		Total carrying amount					Fair value	
	Note	Amortised costs $	FVOCI-financial instruments $	FVTPL-financial instruments $	Other financial liabilities $	Total $	Level 1 $	Level 3 $
Group								
31 December 2017								
Financial assets measured at fair value								
Unquoted equity shares	9	–	3,848,832	–	–	3,848,832	–	3,848,832*
Quoted financial assets at FVOCI	9	–	14,785,868	–	–	14,785,868	14,785,868	–
Quoted financial assets at FVTPL	9	–	–	7,626,815	–	7,626,815	7,626,815	–
		–	18,634,700	7,626,815	–	26,261,515	22,412,683	3,848,832
Financial assets not measured at fair value								
Cash and cash equivalents	11	33,498,489	–	–	–	33,498,489		
Uncompleted contracts - buyers		9,055,702	–	–	–	9,055,702		
Trade and other receivables	8	28,135,134	–	–	–	28,135,134		
		70,689,325	–	–	–	70,689,325		
Financial liabilities not measured at fair value								
Uncompleted contracts - sellers		–	–	–	(8,936,125)	(8,936,125)		
Trade and other payaables	15	–	–	–	(24,252,462)	(24,252,462)		
		–	–	–	(33,188,587)	(33,188,587)		

*Based on most recent transaction price.

25 Financial Risk Management (continued)

Determination of fair values (continued)

Accounting classifications and fair values (continued)

		Total carrying amount					Fair value	
	Note	Amortised costs $	FVOCI-financial instruments $	FVTPL-financial instruments $	Other financial liabilities $	Total $	Level 1 $	Level 3 $
Group								
1 January 2017								
Financial assets measured at fair value								
Quoted financial assets at FVOCI	9	–	24,943,470	–	–	24,943,470	24,943,470	–
Quoted financial assets at FVTPL	9	–	–	7,183,982	–	7,183,982	7,183,982	–
		–	24,943,470	7,183,982	–	32,127,452	32,127,452	–
Financial assets not measured at fair value								
Cash and cash equivalents	11	22,463,675	–	–	–	22,463,675		
Trade and other receivables	8	24,090,955	–	–	–	24,090,955		
		46,554,630	–	–	–	46,554,630		
Financial liabilities not measured at fair value								
Trade and other payables	15	–	–	–	(15,523,417)	(15,523,417)		

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25 Financial Risk Management (continued)

Determination of fair values (continued)

Accounting classifications and fair values (continued)

		Total carrying amount					Fair value	
	Note	Amortised costs $	FVOCI-financial instruments $	FVTPL-financial instruments $	Other financial liabilities $	Total $	Level 1 $	Level 3 $
Company								
31 December 2018								
Financial assets measured at fair value								
Unquoted equity shares	9	–	972,171	–	–	972,171	–	972,171*
Quoted financial assets at FVOCI	9	–	9,927,970	–	–	9,927,970	9,927,970	–
Quoted financial assets at FVTPL	9	–	–	6,187,789	–	6,187,789	6,187,789	–
		–	10,900,141	6,187,789	–	17,087,930	16,115,759	972,171
Financial assets not measured at fair value								
Cash and cash equivalents	11	4,155,877	–	–	–	4,155,877		
Trade and other receivables	8	60,971,028	–	–	–	60,971,028		
		65,126,905	–	–	–	65,126,905		
Financial liabilities not measured at fair value								
Trade and other payables	15	–	–	–	(27,375,304)	(27,375,304)		
Bank Loans	17	–	–	–	(37,354,246)	(37,354,246)		
		–	–	–	(64,729,550)	(64,729,550)		

*Based on most recent transaction price.

25 Financial Risk Management (continued)

Determination of fair values (continued)

Accounting classifications and fair values (continued)

		Total carrying amount					Fair value	
	Note	Amortised costs $	FVOCI-financial instruments $	FVTPL-financial instruments $	Other financial liabilities $	Total $	Level 1 $	Level 3 $
Company								
31 December 2017								
Financial assets measured at fair value								
Unquoted equity shares	9	–	783,140	–	–	783,140	–	783,140*
Quoted financial assets at FVOCI	9	–	14,785,868	–	–	14,785,868	14,785,868	–
Quoted financial assets at FVTPL	9	–	–	7,626,815	–	7,626,815	7,626,815	–
		–	15,569,008	7,626,815	–	23,195,823	22,412,683	783,140
Financial assets not measured at fair value								
Cash and cash equivalents	11	8,452,278	–	–	–	8,452,278		
Trade and other receivables	8	7,772,779	–	–	–	7,772,779		
		16,225,057	–	–	–	16,225,057		
Financial liabilities not measured at fair value								
Trade and other payables	15	–	–	–	(14,321,769)	(14,321,769)		

*Based on most recent transaction price.

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25 Financial Risk Management (continued)

Determination of fair values (continued)

Accounting classifications and fair values (continued)

		Total carrying amount					Fair value	
	Note	Amortised costs $	FVOCI-financial instruments $	FVTPL-financial instruments $	Other financial liabilities $	Total $	Level 1 $	Level 3 $
Company								
1 January 2017								
Financial assets measured at fair value								
Quoted financial assets at FVOCI	9	–	24,943,470	–	–	24,943,470	24,943,470	–
Quoted financial assets at FVTPL	9	–	–	7,183,982	–	7,183,982	7,183,982	–
		–	24,943,470	7,183,982	–	32,127,452	32,127,452	–
Financial assets not measured at fair value								
Cash and cash equivalents	11	3,594,802	–	–	–	3,594,802		
Trade and other receivables	8	2,135,174	–	–	–	2,135,174		
		5,729,976	–	–	–	5,729,976		
Financial liabilities not measured at fair value								
Trade and other payables	15	–	–	–	(15,326,132)	(15,326,132)		

During the financial year, there have been no transfers between Level 1, 2, and 3.

26 Commitments

As at 31 December 2018, the Group and the Company have the following commitments:

(a) Future minimum lease payments in respect of non-cancellable operating leases are as follows:

	Group		Company	
	2018 $	2017 $	2018 $	2017 $
Within 1 year	6,312,045	5,751,123	46,980	46,980
Over 1 year but within 5 years	11,565,605	14,415,312	119,092	161,904
More than 5 years	413,619	2,838,856	–	–
	18,291,269	23,005,291	166,072	208,884

The Group leases a number of office premises under operating leases. The leases typically run for initial period of three to six years, with an option to renew the lease after that date.

(b) Capital expenditure in respect of plant and equipment and intangible assets are as follows:

	Group		Company	
	2018 $	2017 $	2018 $	2017 $
Contracted but not provided for	467,599	1,009,089	–	–

(c) Under regulatory requirements, some of the subsidiaries are required to maintain sufficient capital to ensure that the relevant regulatory limits as set out by the authorities are complied with. The Company has commitment to contribute additional capital as and when the subsidiaries' capital fall below the relevant regulatory limits.

27 Related parties

Key management personnel compensation

Compensation paid or payable to key management personnel comprise:

	Group	
	2018 $	2017 $
Fees to Non-Executive and Independent Directors	369,254	349,863
Remuneration paid or payable to key management personnel		
- short-term employment benefits	4,841,125	3,696,548
- employers' contribution to defined contribution plans	278,938	252,355
- share-based payment	1,309,662	963,072

Directors and other key management personnel also participate in the Company's Share Option Schemes and Performance Share Plan. In 2018, no share option was granted to Directors and other key management personnel (2017: Nil). The number of performance shares granted to Directors and other key management personnel was 1,851,700 (2017: 915,000) performance shares. The number of those share options outstanding and performance shares to be vested as at 31 December 2018 was 1,745,128 (2017: 1,918,628) share options and 3,454,100 (2017: 2,217,600) performance shares respectively.

Directors and other key management personnel also participate in the Share Option Scheme of a subsidiary. In 2018, no share option was granted to Directors and 360,700 share options were granted to other key management personnel (2017: 94,100 share options granted to a Director and 13,261,700 share options granted to other key management personnel). The number of those share options outstanding as at 31 December 2018 was 13,716,500 (2017: 13,355,800).

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2018

27 Related parties (continued)

Other related party transactions

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

	Group	
	2018 $	2017 $
Service fee charged to:		
- Associates	261,000	237,000
Service fee charged by:		
- Associates	1,464,852	661,299

28 Explanation of transition to SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018.

As stated in Note 2.1, these are the first financial statements of the Group prepared in accordance with SFRS(I).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – C*lassification and measurement of share-based payment transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of investment property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS(I) – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The application of the above standards and interpretations do not have material effect on the financial statements, except for SFRS(I) 9 which has been adopted with full restatement of comparatives.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 have affected the Group's financial position, financial performance and cash flows, and the Group's financial position is set out under the summary of quantitative impact and the accompanying notes.

28 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Summary of quantitative impact

The following reconciliations summarise the impacts on initial application of SFRS(I) 9 on the Group's and the Company's equity as at 1 January 2017, 31 December 2017 and 1 January 2018 and the Group's profit or loss and other comprehensive income for the year ended 31 December 2017. There were no material adjustments to the Group's statement of financial position as at 1 January 2017, 31 December 2017 and 1 January 2018 and the Group's statement of cash flows for the year ended 31 December 2017 arising on the transition to SFRS(I)s.

Group	As at 1 January 2017 FRS framework $	SFRS(I) 9 $	As at 1 January 2017 SFRS(I) framework $
Equity			
Share capital	64,147,569	–	64,147,569
Fair value reserve	10,924	(353,209)	(342,285)
Foreign currency translation reserve	(535,050)	–	(535,050)
Share option reserve	1,496,244	–	1,496,244
Performance share reserve	2,250,619	–	2,250,619
Equity reserve	(2,009,391)	–	(2,009,391)
Reserve for own shares	(2,531,323)	–	(2,531,323)
Accumulated profits	15,616,108	353,209	15,969,317
Equity attributable to owners of the Company	78,445,700	–	78,445,700
Non-controlling interests	150,052	–	150,052
Total equity	78,595,752	–	78,595,752

Group	As at 31 December 2017 FRS framework $	SFRS(I) 9 $	As at 31 December 2017 SFRS(I) framework $
Equity			
Share capital	65,544,511	–	65,544,511
Fair value reserve	(277,962)	(155,700)	(433,662)
Foreign currency translation reserve	(1,477,818)	–	(1,477,818)
Share option reserve	1,789,958	–	1,789,958
Performance share reserve	2,844,865	–	2,844,865
Equity reserve	(2,009,391)	–	(2,009,391)
Reserve for own shares	(2,539,500)	–	(2,539,500)
Accumulated profits	17,360,865	155,700	17,516,565
Equity attributable to owners of the Company	81,235,528	–	81,235,528
Non-controlling interests	17,401	–	17,401
Total equity	81,252,929	–	81,252,929

Notes to the Financial Statements

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28 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Summary of quantitative impact (continued)

Group	As at 1 January 2018 FRS framework $	SFRS(I) 9 $	As at 1 January 2018 SFRS(I) framework $
Equity			
Share capital	65,544,511	–	65,544,511
Fair value reserve	(277,962)	(155,700)	(433,662)
Foreign currency translation reserve	(1,477,818)	–	(1,477,818)
Share option reserve	1,789,958	–	1,789,958
Performance share reserve	2,844,865	–	2,844,865
Equity reserve	(2,009,391)	–	(2,009,391)
Reserve for own shares	(2,539,500)	–	(2,539,500)
Accumulated profits	17,360,865	155,700	17,516,565
Equity attributable to owners of the Company	81,235,528	–	81,235,528
Non-controlling interests	17,401	–	17,401
Total equity	81,252,929	–	81,252,929

Company	As at 1 January 2017 FRS framework $	SFRS(I) 9 $	As at 1 January 2017 SFRS(I) framework $
Equity			
Share capital	64,147,569	–	64,147,569
Fair value reserve	10,974	(353,209)	(342,235)
Share option reserve	1,496,244	–	1,496,244
Performance share reserve	2,250,619	–	2,250,619
Reserve for own shares	(2,531,323)	–	(2,531,323)
Accumulated profits	14,813,783	353,209	15,166,992
Equity attributable to owners of the Company	80,187,866	–	80,187,866

28 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Summary of quantitative impact (continued)

Company	As at 31 December 2017 FRS framework $	SFRS(I) 9 $	As at 31 December 2017 SFRS(I) framework $
Equity			
Share capital	65,544,511	–	65,544,511
Fair value reserve	(279,240)	(155,700)	(434,940)
Share option reserve	1,563,977	–	1,563,977
Performance share reserve	2,844,865	–	2,844,865
Reserve for own shares	(2,539,500)	–	(2,539,500)
Accumulated profits	19,964,818	155,700	20,120,518
Equity attributable to owners of the Company	87,099,431	–	87,099,431

Company	As at 1 January 2018 FRS framework $	SFRS(I) 9 $	As at 1 January 2018 SFRS(I) framework $
Equity			
Share capital	65,544,511	–	65,544,511
Fair value reserve	(279,240)	(155,700)	(434,940)
Share option reserve	1,563,977	–	1,563,977
Performance share reserve	2,844,865	–	2,844,865
Reserve for own shares	(2,539,500)	–	(2,539,500)
Accumulated profits	19,964,818	155,700	20,120,518
Equity attributable to owners of the Company	87,099,431	–	87,099,431

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YEAR ENDED 31 DECEMBER 2018

28 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Summary of quantitative impact (continued)

Group	Year ended 31 December 2017 FRS framework $	SFRS(I) 9 $	Year ended 31 December 2017 SFRS(I) framework $
Consolidated statement of profit or loss			
Revenue	101,166,664	–	101,166,664
Commission and fee paid or payable to third party financial advisers	(51,721,986)	–	(51,721,986)
	49,444,678	–	49,444,678
Other income	2,504,165	(1,424,674)	1,079,491
Depreciation of plant and equipment	(1,369,155)	–	(1,369,155)
Amortisation of intangible assets	(2,875,270)	–	(2,875,270)
Staff costs	(21,086,511)	–	(21,086,511)
Other operating expenses	(16,944,955)	86,939	(16,858,016)
Results from operating activities	9,672,952	(1,337,735)	8,335,217
		–	
Finance income	739,992	–	739,992
Finance cost	(1,634)	–	(1,634)
Net finance income	738,358	–	738,358
Share of results of associates, net of tax	(326,376)	–	(326,376)
Profit before tax	10,084,934	(1,337,735)	8,747,199
Tax expense	(1,254,688)	–	(1,254,688)
Profit for the year	8,830,246	(1,337,735)	7,492,511
Profit attributable to:			
Owners of the Company	9,037,732	(1,337,735)	7,699,997
Non-controlling interest	(207,486)	–	(207,486)
Profit for the year	8,830,246	(1,337,735)	7,492,511
Consolidated statement of comprehensive income			
Profit for the year	8,830,246	(1,337,735)	7,492,511
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	823,838	(847,863)	(24,025)
Net change in fair value of financial assets at FVOCI reclassified to profit of loss	(1,114,019)	1,313,941	199,922
Foreign currency translation differences for foreign operations	(942,013)	–	(942,013)
Share of other comprehensive income of associates	(2,625)	–	(2,625)
	(1,234,819)	466,078	(768,741)
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of financial assets at FVOCI	–	871,657	871,657
Other comprehensive income for the year, net of tax	(1,234,819)	1,337,735	102,916
Total comprehensive income for the year	7,595,427	–	7,595,427
Attributable to:			
Owners of the Company	7,806,078	–	7,806,078
Non-controlling interests	(210,651)	–	(210,651)
Total comprehensive income for the year	7,595,427	–	7,595,427

28 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Notes to the reconciliation

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see note 3.7.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 January 2018.

				1 January 2018	
	Note	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39 $	New carrying amount under SFRS(I) 9 $
Group					
Non-current financial assets					
Other investments	(a)	Available-for-sale	FVOCI - equity instrument	3,848,832	3,848,832
Current financial assets					
Other investments	(b)	Available-for-sale	FVOCI - debt instrument	1,663,440	1,663,440
Other investments	(a)	Available-for-sale	FVOCI - equity instrument	13,122,428	13,122,428
Other investments	(c)	Available-for-sale	FVTPL	1,212,463	1,212,463
Other investments	(d)	FVTPL	FVTPL	6,414,352	6,414,352
				26,261,515	26,261,515
Uncompleted contracts-buyers	(e)	Loans and receivables	Amortised cost	9,055,702	9,055,702
Current tax receivable	(e)	Loans and receivables	Amortised cost	33,774	33,774
Trade and other receivables	(e)	Loans and receivables	Amortised cost	28,135,134	28,135,134
Cash and cash equivalents	(e)	Loans and receivables	Amortised cost	33,498,489	33,498,489
Total financial assets				96,984,614	96,984,614
Company					
Non-current financial assets					
Other investments	(a)	Available-for-sale	FVOCI - equity instrument	783,140	783,140
Current financial assets					
Other investments	(b)	Available-for-sale	FVOCI - debt instrument	1,663,440	1,663,440
Other investments	(a)	Available-for-sale	FVOCI - equity instrument	13,122,428	13,122,428
Other investments	(c)	Available-for-sale	FVTPL	1,212,463	1,212,463
Other investments	(d)	FVTPL	FVTPL	6,414,352	6,414,352
				23,195,823	23,195,823
Trade and other receivables	(e)	Loans and receivables	Amortised cost	7,772,779	7,772,779
Cash and cash equivalents	(e)	Loans and receivables	Amortised cost	8,452,278	8,452,278
Total financial assets				39,420,880	39,420,880

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28 Explanation of transition to SFRS(I) and adoption of new standards (continued)

Notes to the reconciliation (continued)

(a) These equity investments represent investments that the Group and the Company intend to hold for the long term for strategic purposes. The Group and the Company have designated these investments at 1 January 2018 as measured at FVOCI. Unlike FRS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(b) The debt investments categorised as available-for-sale under FRS 39 are held by the Group's treasury unit in a separate portfolio to provide interest income, but may be sold to meet liquidity requirements arising in the normal course of business. The Group and the Company consider that these investments are held within a business model whose objective is achieved both by collecting contractual cash flows and by selling securities. The debt investments mature in more than one year and the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets have therefore been classified as financial assets at FVOCI under SFRS(I) 9.

(c) Under FRS 39, these debt investments were designated as at available-for-sale. The Group and the Company elected to classify them as FVTPL.

(d) Under FRS 39, these equity investments were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured under FVTPL under SFRS(I) 9.

(e) These financial assets that were classified as loans and receivables under FRS 39 are now classified at amortised cost. The Group and the Company intend to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

29 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning after 1 January 2018 and earlier applications are permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Applicable to 2021 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

29 New standards and interpretations not yet adopted (continued)

The Group has assessed the estimated impact that initial application of SFRS(I) 16 will have on the financial statements. The Group's assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group is described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group and Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group and Company as lessee

The Group and the Company expect to measure lease liabilities by applying a single discount rate to their portfolio. Furthermore, the Group and the Company are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, the Group and the Company are expected to use hindsight in determining the lease term.

The Group and the Company expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application. In addition, the Group will no longer recognise provisions for operating leases that it assessed to be onerous as described in Note 26. Instead, the Group will include the payments due under the lease in their lease liability.

At 1 January 2019, the Group expects an increase in ROU assets of $16,328,519, an increase in lease liabilities of $16,823,230, a decrease in other payables of $494,711. The Company expects an increase in ROU asset and lease liabilities of $3,595,867 at 1 January 2019.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases. The Group does not expect the adoption of SFRS(I) 16 to impact their ability to comply with the leverage threshold loan covenants of the bank loans.

Analysis of Shareholdings

AS AT 8 MARCH 2019

iFAST CORPORATION LTD.

STATISTICS OF SHAREHOLDERS AS AT 8 MARCH 2019

Total Number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings)	-	267,513,679
Number of Treasury Shares Held	-	881,300
Number of Subsidiary Holdings Held	-	NIL
Class of Shares	-	Ordinary shares
Voting Rights	-	One Vote per share The Company cannot exercise any voting rights in respect of ordinary shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings*
1 – 99	6	0.41	191	0.00
100 – 1,000	230	15.67	184,789	0.07
1,001 – 10,000	815	55.52	4,016,190	1.50
10,001 – 1,000,000	388	26.43	30,318,128	11.33
1,000,001 and above	29	1.97	232,994,381	87.10
	1,468	100.00	267,513,679	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

(as shown in the Register of Members)

No.	Name of Shareholder	No. of Shares	% of Shareholdings*
1	LIM CHUNG CHUN	41,058,164	15.35
2	SPH INVEST LTD (FORMERLY KNOWN AS SPH ASIAONE LTD)	40,680,642	15.21
3	DBS NOMINEES PTE LTD	34,704,038	12.97
4	CITIBANK NOMINEES SINGAPORE PTE LTD	22,035,880	8.24
5	LIM WEE KIAN	16,305,220	6.10
6	IFAST FINANCIAL PTE LTD (DEPOSITORY AGENT) #	13,515,166	5.05
7	RHB BANK NOMINEES PTE LTD	8,000,000	2.99
8	OCBC SECURITIES PRIVATE LTD	6,840,500	2.56
9	KNG LAY HOON DONNA	4,234,408	1.58
10	VIVIAN CHEONG MEI LIN	4,211,762	1.57
11	ACCRETION INVESTMENTS PTE LTD	4,201,458	1.57
12	HSBC (SINGAPORE) NOMINEES PTE LTD	3,666,713	1.37
13	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,415,000	1.28
14	HO CHOON LENG PATRICK	3,345,500	1.25
15	FOO SIANG GUAN	2,828,400	1.06
16	RAFFLES NOMINEES (PTE) LIMITED	2,664,100	1.00
17	WONG SHAW SENG REGI	2,620,000	0.98
18	WONG SOO HOW	2,048,712	0.77
19	WONG SOON SHYAN	2,014,750	0.75
20	WATERWORTH PTE LTD	2,000,000	0.75
	TOTAL	**220,390,413**	**82.40**

Exclude 881,300 Treasury Shares
* Percentages are calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company as at 8 March 2019.

Analysis of Shareholdings

AS AT 8 MARCH 2019

SUBSTANTIAL SHAREHOLDERS AS AT 8 MARCH 2019

(as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**%***	**No. of Shares**	**%***
Lim Chung Chun[(i)]	41,058,164	15.35	18,214,280	6.81
Neo Lay Kien[(ii)]	1,477,922	0.55	53,593,064	20.03
Lim Wee Kian[(iii)]	16,305,220	6.10	4,031,800	1.51
SPH Invest Ltd (formerly known as SPH AsiaOne Ltd)[(iv)]	40,680,642	15.21	-	-
Singapore Press Holdings Limited[(iv)]	-	-	40,680,642	15.21

Notes:

(i) Mr Lim Chung Chun is deemed to have an interest in the shares held by Accretion Investments Pte Ltd, RHB Bank Nominees Pte Ltd, OCBC Securities Private Ltd., iFAST Financial Pte. Ltd. (Depository Agent) and his spouse, Mdm Neo Lay Kien.

(ii) Mdm Neo Lay Kien is deemed to have an interest in the shares held by RHB Bank Nominees Pte Ltd, OCBC Securities Private Ltd., iFAST Financial Pte. Ltd. (Depository Agent) and her spouse, Mr Lim Chung Chun.

(iii) Mr Lim Wee Kian is deemed interested in the shares held by DBS Nominees Pte Ltd.

(iv) SPH Invest Ltd ("SPH Invest") (formerly known as SPH AsiaOne Ltd) is a wholly-owned subsidiary of Singapore Press Holdings Limited ("SPH"), a Singapore incorporated company listed on the SGX-Mainboard. Accordingly, SPH is deemed to have an interest in the Company's shares held by SPH Invest.

* Percentages are calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company as at 8 March 2019.

TREASURY SHARES AND SUBSIDIARY HOLDINGS

Number of treasury shares held as at 8 March 2019: 881,300

Number of subsidiary holdings held as at 8 March 2019: NIL

Percentage of such holdings against the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings): 0.3294%

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL

Based on the information available to the Company as at 8 March 2019, approximately 47.07%* of the issued shares of the Company are held by the public. Therefore, the Company is in compliance with Rule 723 of the SGX-ST Listing Manual.

* Percentages are calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company as at 8 March 2019.

Additional Information on Directors Seeking Re-appointment or Re-election

(I) MR LIM CHUNG CHUN
(II) MR NG LOH KEN PETER
(III) MS JANICE WU SUNG SUNG
(IV) MR TOH TENG PEOW DAVID

The abovementioned Directors are seeking re-appointment or re-election at the forthcoming Annual General Meeting ("AGM") of the Company to be convened on 16 April 2019 (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	(I) MR LIM CHUNG CHUN	(II) MR NG LOH KEN PETER
Date of Appointment	11 September 2000	1 January 2014
Date of last re-appointment	Nil	8 April 2016
Age	50	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim Chung Chun for re-appointment as Chairman and Chief Executive Officer of the Company. The Board has reviewed and concluded that Mr Lim Chung Chun possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Ng Loh Ken Peter for re-appointment as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Ng Loh Ken Peter possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Lim Chung Chun is responsible for setting the strategic direction of the Group together with the Board and oversees the entire overall management of the Group	Non-Executive

	(I) MR LIM CHUNG CHUN	(II) MR NG LOH KEN PETER
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman and Chief Executive Officer, member of the Board Risk Committee and Nominating Committee	Independent Director, Chairman of the Audit Committee and member of the Board Risk Committee and Nominating Committee
Professional qualifications	Bachelor of Engineering (Electrical), National University of Singapore Diploma in Investment, Institute of Banking and Finance	Bachelor of Accountancy (Honours), National University of Singapore Chartered Financial Analyst
Working experience and occupation(s) during the past 10 years	Mr Lim is a co-founder of iFAST Corporation Ltd since 2000	Mr Ng has been Managing Director of Peterson Asset Management Pte Ltd since 2000 and is also a director of Procurri Corporation Limited, a company listed on the SGX since June 2016
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 41,058,164 ordinary shares Deemed interest: 18,214,280 ordinary shares	Deemed interest: 269,100 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	No other principal commitments other than those listed below iFAST Financial (HK) Ltd iFAST Platform Services (HK) Ltd iFAST Financial Pte Ltd iFAST Nominees Pte Ltd iFAST Capital Ltd iFAST China Holdings Pte Ltd iFAST Malaysia Sdn Bhd iFAST Capital Sdn Bhd Accretion Investments Pte Ltd	No other principal commitments other than those listed below OWW Investments III Ltd iFAST Financial Pte Ltd Procurri Corporation Limited Peterson Asset Management Pte Ltd

Additional Information on Directors Seeking Re-appointment or Re-election

	(I) MR LIM CHUNG CHUN	(II) MR NG LOH KEN PETER
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

	(I) MR LIM CHUNG CHUN	(II) MR NG LOH KEN PETER
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

Additional Information on Directors Seeking Re-appointment or Re-election

	(I) MR LIM CHUNG CHUN	(II) MR NG LOH KEN PETER
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable

	(III) MS JANICE WU SUNG SUNG	(IV) MR TOH TENG PEOW DAVID
Date of Appointment	18 April 2018	18 April 2018
Date of last re-appointment	Nil	Nil
Age	49	52
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Ms Janice Wu Sung Sung for re-appointment as Non-Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Ms Janice Wu Sung Sung possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Toh Teng Peow David for re-appointment as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Toh Teng Peow David possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive

Additional Information on Directors Seeking Re-appointment or Re-election

	(III) MS JANICE WU SUNG SUNG	(IV) MR TOH TENG PEOW DAVID
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director, Member of the Audit Committee	Independent Director, Member of Board Risk Committee and Remuneration Committee
Professional qualifications	LLB (Hons), National University of Singapore	B.Sc. Materials Science & Engineering, Cornell University, USA B.A. Government and Asian Studies, Cornell University, USA
Working experience and occupation(s) during the past 10 years	1998-current: Singapore Press Holdings Limited. Ms Janice Wu Sung Sung has held various positions across functions, with active involvement in legal advisory work, M&A transactions, joint ventures, property acquisition, corporate planning and analytics.	April 2013 to current: Director and Chief Technology Officer of NTUitive Limited, a wholly owned subsidiary of the Nanyang Technological University. November 2015 to March 2018: Co-founder and Director of Cloud Wings Pte Ltd, a cloud-based platform for bridging television online video, and digital out of home signages with mobile e-commerce. June 2007 to December 2012: Co-founder and Chief Investment Officer of Acacia Capital Asia Pte Ltd, an Asia ex-Japan fund focused on absolute return of public equities fund.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 60,000 ordinary shares	Direct interest: 51,010 ordinary shares Deemed interest: 146,400 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Janice Wu Sung Sung is a nominee director of SPH Invest Ltd (formerly known as SPH AsiaOne Ltd), a wholly-owned subsidiary of Singapore Press Holdings Limited	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	No other principal commitments other than those listed below	No other principal commitments other than those listed below
Past (for the last 5 years)	*See Appendix (A)*	Cloud Wings Pte Ltd Bankerbay Technologies Pte Ltd Evercomm Uni-Tech Singapore Pte Ltd Health2Sync Pte Ltd
Present	*See Appendix (B)*	Code Farm Pte Ltd Voyager Venture Pte Ltd

	(III) MS JANICE WU SUNG SUNG	(IV) MR TOH TENG PEOW DAVID
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Additional Information on Directors Seeking Re-appointment or Re-election

	(III) MS JANICE WU SUNG SUNG	(IV) MR TOH TENG PEOW DAVID
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

	(III) MS JANICE WU SUNG SUNG	(IV) MR TOH TENG PEOW DAVID
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable

Additional Information on Directors Seeking Re-appointment or Re-election

APPENDIX A

MS JANICE WU SUNG SUNG -
PAST DIRECTORSHIPS AS AT 8 MARCH 2019

NO.	NAME OF COMPANY/ENTITY
1	701Sou (Hong Kong) Pte Ltd
2	Blu Inc Media (Hong Kong) Limited
3	BNM Content Solutions Pte. Ltd.
4	Ebay Japan Holdings Pte. Ltd
5	Elara8 Pte. Ltd
6	Germanium Pte. Ltd
7	Germanium 1 Pte. Ltd
8	Germanium 2 Pte. Ltd
9	Germanium 3 Pte. Ltd
10	Germanium 4 Pte. Ltd
11	Germanium 5 Pte. Ltd
12	Germanium 6 Pte. Ltd
13	MediaCorp Press Ltd
14	Shareinvestor Pte. Ltd
15	Shareinvestor.com Holdings Pte. Ltd
16	Sphere Exhibits Pte. Ltd.
17	SPH Digital Media Pte. Ltd.
18	SPH Magazines Pte. Ltd.
19	SPH Pacom Pte. Ltd
20	SPH Retail Property Management Services Pte. Ltd.
21	SPH Ventures Pte. Ltd.

APPENDIX B

MS JANICE WU SUNG SUNG -
CURRENT DIRECTORSHIPS AS AT 8 MARCH 2019

NO.	NAME OF COMPANY/ENTITY
1	iFAST Corporation Ltd.
2	MindChamps PreSchool Limited
3	SG Domain Pte. Ltd.
4	CM Domain Pte. Ltd.
5	Invest One Pte. Ltd.
6	Moon Holdings Pte. Ltd.
7	The Seletar Mall Pte. Ltd.
8	SGCM Pte. Ltd.
9	TPR Holdings Pte. Ltd.
10	Heritage Media Private Limited
11	Streetsine Technology Group Pte. Ltd.
12	Streetsine Singapore Pte. Ltd.
13	Digi Ventures Private Limited
14	SPH Interactive International Pte. Ltd.
15	The Woodleigh Mall Pte Ltd
16	WM 2 Pte. Ltd.
17	WM 3 Pte. Ltd.
18	WM 8 Pte. Ltd.
19	The Woodleigh Residences Pte. Ltd.
20	WR 2 Pte. Ltd.
21	WR 3 Pte. Ltd.
22	WR 8 Pte. Ltd.
23	SPH Radio Pte. Ltd.
24	SPH Multimedia Private Limited
25	Callisto 8 Pte. Ltd.
26	Callisto 3 Pte. Ltd.
27	Callisto 2 Pte. Ltd.
28	Callisto 1 Pte. Ltd.
29	Qoo10 Pte. Ltd.
30	Elara 3 Pte. Ltd.
31	Elara 2 Pte. Ltd.
32	Elara 1 Pte. Ltd.
33	Konnectivity Pte. Ltd.

Printed copy of the Additional Information on Directors Seeking Re-appointment or Re-election set out on pages A1 to A11 is included in the AGM Booklet together with the Notice of AGM dispatched to shareholders on the AGM notice date.

CORPORATE INFORMATION

BOARD OF DIRECTORS

LIM CHUNG CHUN
Chairman & Chief Executive Officer

YAO CHIH MATTHIAS
Lead Independent Director

KOK CHEE WAI
Independent Director

NG LOH KEN PETER
Independent Director

TOH TENG PEOW DAVID
Independent Director

JANICE WU SUNG SUNG
Non-Independent Non-Executive Director

LIM WEE KIAN
Non-Independent Non-Executive Director

GOH BING YUAN
Executive Director

AUDIT COMMITTEE

Ng Loh Ken Peter, Chairman
Kok Chee Wai
Yao Chih Matthias
Janice Wu Sung Sung

BOARD RISK COMMITTEE

Yao Chih Matthias, Chairman
Ng Loh Ken Peter
Toh Teng Peow David
Goh Bing Yuan
Lim Chung Chun

NOMINATING COMMITTEE

Kok Chee Wai, Chairman
Ng Loh Ken Peter
Lim Chung Chun

REMUNERATION COMMITTEE

Yao Chih Matthias, Chairman
Kok Chee Wai
Toh Teng Peow David

COMPANY SECRETARIES

Chan Lai Yin (ACS)
Lee Pay Lee (ACS)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00, Hong Leong Building
Singapore 048581

Partner-in-charge:
Goh Kim Chuah
Financial year appointed: 2015

COMPLIANCE ADVISOR

Morgan Lewis Stamford LLC
10 Collyer Quay
#27-00, Ocean Financial Centre
Singapore 049315

PRINCIPAL BANKERS

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Standard Chartered Bank
8 Marina Boulevard, #27-01
Marina Bay Financial Centre Tower 1
Singapore 018981

REGISTERED OFFICE

10 Collyer Quay
#26-01 Ocean Financial Centre
Singapore 049315
Tel: 6535 8033
Fax: 6223 4839

PLACE OF INCORPORATION

Singapore

COMPANY REGISTRATION NO.

200007899C

DATE OF INCORPORATION

11 September 2000

INVESTOR RELATIONS

Email: ir@ifastfinancial.com
Website: www.ifastcorp.com

COUNTER NAME

SGX Code: AIY
Bloomberg Code: IFAST_SP_Equity

TO HELP INVESTORS AROUND THE WORLD INVEST GLOBALLY AND PROFITABLY

iFAST CORPORATION LTD.
Registration Number: 200007899C
10 Collyer Quay #26-01, Ocean Financial Centre
Singapore 049315