



SCALING UP TO BE A

# KEY FINTECH PLAYER

iFAST

ANNUAL  
REPORT **2017**

iFAST CORPORATION LTD.



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# CORPORATE PROFILE & BUSINESS MODEL

## Corporate Profile



iFAST Corporation Ltd. ("iFAST Corp" and together with its subsidiaries, the "Group") is an Internet-based investment products distribution platform, with assets under administration ("AUA") of approximately \$7.58 billion as at 31 December 2017.

Incorporated in the year 2000 in Singapore, iFAST Corp is also present in Hong Kong, Malaysia, China and India. The Group provides a comprehensive range of investment products and services to financial advisory ("FA") firms, financial institutions, banks, multinational companies, as well as retail and high net worth ("HNW") investors in Asia. The Group offers access to over 7,500 investment products including unit trusts ("funds"), bonds and Singapore Government Securities ("SGS"), stocks and exchange traded funds ("ETFs"), insurance products, and services including online robo-advisory portfolio management services, research and investment seminars, IT solutions, and investment administration and transaction services.

iFAST Corp has two main business divisions, namely our Business-to-Consumer ("B2C") platform, Fundsupermart.com (which offers the FSMOne multi-products platform in Singapore and Hong Kong), which caters to investors who prefer to do their own investments online; and our Business-to-Business ("B2B") platforms, iFAST Central and iFAST Global Prestige, that cater to the requirements and business needs of FA firms, financial institutions and banks advising retail and HNW clients respectively. The B2B division also includes iFAST Pensions, which provides tax-effective employee benefit solutions to companies that want to administer pension schemes for their employees via an Internet platform, and iFAST Global Markets ("IGM") which provides investors with transparent adviser-assisted wealth management plans.

## Our Values

### INTEGRITY



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

### INNOVATION



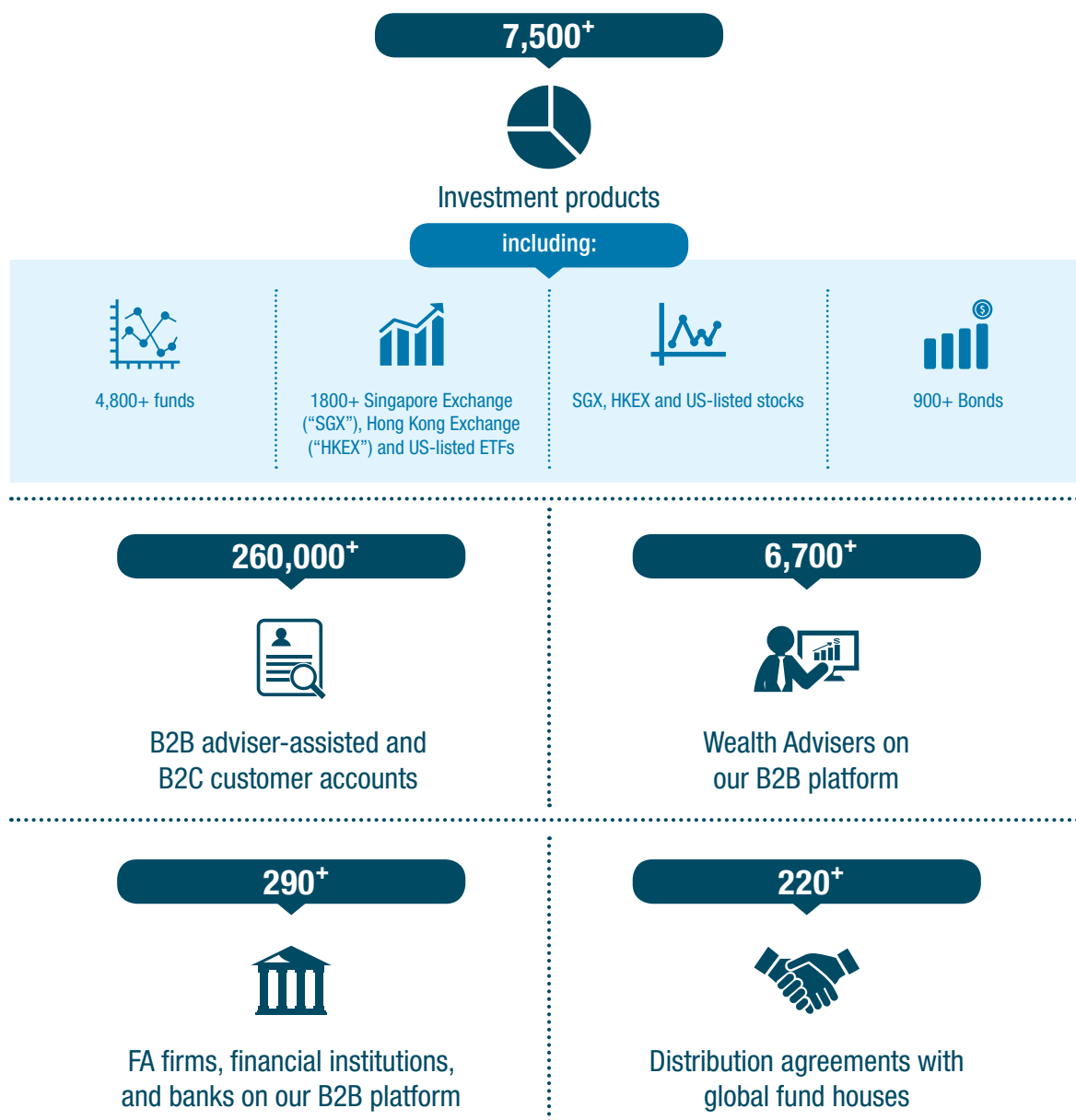
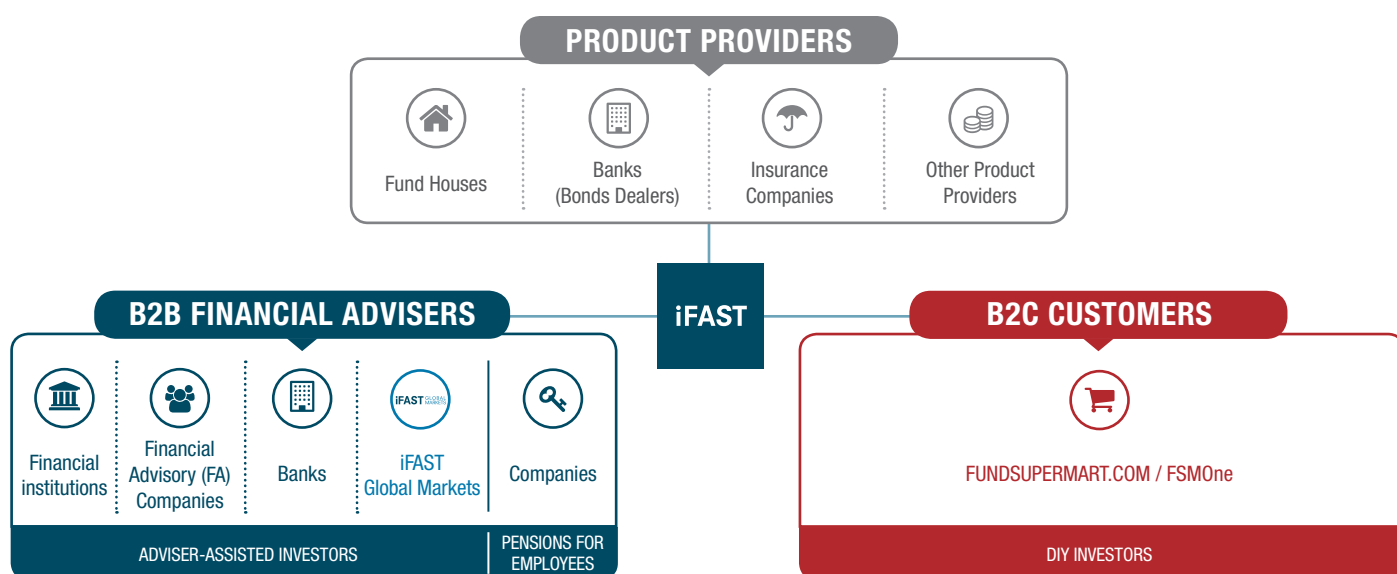
We believe only with innovation and improvement can we continue to add value to our stakeholders.

### TRANSPARENCY



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

## Business Model





# CHAIRMAN'S MESSAGE

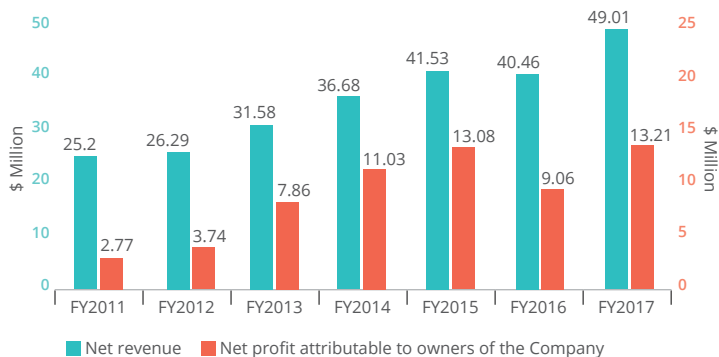
*Dear Shareholders,*

## Progress in 2017

In 2017, the Group saw significant progress on several fronts. Firstly, our Group's net profit for 2017 increased 65.9% to \$9.04 million, on the back of net revenue of \$49.45 million (+21.5%) and gross revenue of \$101.17 million. Group net profit excluding China was higher at \$13.21 million, as China is still in its initial phases of development, and is therefore contributing losses to the Group as a whole.

Chart 1 shows the net revenue and net profit of the Group (excluding China) from 2011 to 2017. Group net profit excluding China reached a record high level on the back of record high AUA in Singapore, Hong Kong and Malaysia.

**CHART 1: NET REVENUE AND NET PROFIT (EXCLUDING CHINA)**



Some shareholders have been concerned about the operating losses that we are currently incurring for China. The reality is that the nature of the investment platform business is such that losses are expected in the first few years of the set up before a critical mass is achieved. We see this initial phase as an important investment for the long run. China is expected to be the biggest wealth management market in Asia, and it is a market that we should not ignore.

In 2017, we also saw substantial progress in our continuous push for a better range of products and services on our platform. We have rolled out our stockbroking services in Singapore, and with that the core components of our platform services are already in place. With unit trusts, ETFs, bonds and stocks already available on our platform, and with robo-advisory capabilities in place for B2C and B2B channels, we believe that we are well-positioned for a much bigger share of the wealth management industry AUA in the years ahead.

## The Fintech Opportunities

While much has been discussed about the opportunities of the Fintech world in the last few years, we believe that Singapore and Asia are still in the initial phases of the development and progress that will eventually be seen. Other than the increasing adoption of Fintech solutions within most countries, we see two important drivers for Fintech in the wealth management space in the next few years.

The first is the convergence 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 industry. The characteristics of the products can be very different due to the history and regulations behind the historical developments of these products. However, from the perspective of the consumers/investors, what matters is whether the products and services give the best value for money.

For instance, charges for many investment products with an insurance wrapper can be much higher than pure investment products (unit trusts). The charges also tend to be harder to understand, and are less transparent. Some of the charges within insurance products are considered normal and reasonable for the insurance industry, but would be considered outrageous for investment products such as unit trusts and ETFs. Many consumers in Singapore are still not very well educated about the differences. However, with the continuous progress of the Fintech world, we expect to see increasing convergence as consumer awareness increases.

Companies that can properly harness the power of the Fintech will be able to potentially serve the consumers much better, and have far more competitive business models. For instance, by leveraging on our strengths in the unit trust industry (with good scale and strong base of recurring revenues), iFAST is able to offer the most competitive stockbroking dealing commission charges in Singapore.

The second driver for Fintech going forward is the cross-border opportunities. Historically, financial services for retail/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.

Companies that can properly harness the **power of the Fintech** will be able to potentially **serve the consumers much better**, and have **far more competitive** business models.

**LIM CHUNG CHUN**  
Chairman and CEO

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

As a Group that is currently present in five markets in Asia, we strive to stay at the forefront of the cross-border opportunities that will become increasingly important.

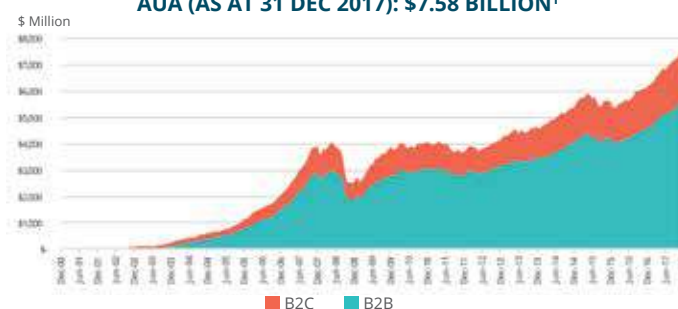
## Outlook

Going forward, we believe that the Group's efforts of the last two to three years in broadening the range of products and services have positioned us well for further growth. The Group now runs a comprehensive wealth management platform that will help bring the Group's AUA and overall business volume to the next level in the years ahead.

The Group's AUA has been growing, increasing 24.3% YoY to a record \$7.58 billion at the end of 2017. We believe that in the medium to long term, the Group still has a lot of room for growth as the current AUA is still a small amount relative to the size of the wealth management industry in Singapore and Asia.

Barring a major deterioration of the financial markets, we expect the Group's businesses in the key markets of Singapore, Hong Kong and Malaysia to show further improvement in 2018 compared to 2017.

**AUA (AS AT 31 DEC 2017): \$7.58 BILLION<sup>(1)</sup>**



<sup>(1)</sup> The Group's AUA as at 31 December 2017 includes its effective 16.06% share of the India Business

Our China business is still in its initial stages of building up, and losses are still expected in 2018. We expect China's losses in 2018 to be comparable to our losses in China in 2017. In the years ahead, we expect China to be an important contributor to the Group.

We expect the Group's dividend per share in 2018 to be higher than in 2017.

**LIM CHUNG CHUN**  
Chairman and CEO

# BOARD OF DIRECTORS & SENIOR MANAGEMENT

## Board of Directors



**LIM CHUNG CHUN**  
Chairman & Chief Executive Officer ("CEO")

**Date of First Appointment to the Board:**  
11 September 2000

**Committee(s) served on:**

- Member of Board Risk Committee ("BRC")
- Member of Nominating Committee ("NC")

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.



**YAO CHIH MATTHIAS**  
Lead Independent Director

**Date of First Appointment to the Board:**  
1 January 2014

**Last Reappointed to the Board:**

11 April 2017

**Committee(s) served on:**

- Chairman of BRC & Remuneration Committee ("RC")
- Member of Audit Committee ("AC")

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. 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.



**LING PENG MENG**  
Independent Director

**Date of First Appointment to the Board:**  
10 March 2006

**Last Reappointed to the Board:**

8 April 2016

**Committee(s) served on:**

- Member of BRC and RC

Mr Ling is a Managing Director and Head of Fixed Income, Greater China at DBS Bank. He started his career as an officer with DBS Bank before moving to Schroder International Merchant Bankers Limited and Credit Agricole Indosuez Merchant Bank Ltd between 1993 and 1999. Mr Ling was a Managing Director and held various offices including Head of Capital Markets (South East Asia) and Head of Capital Markets (Greater China & Japan) in Standard Chartered Bank between 1999 and 2012. He holds a Bachelor of Accountancy (Second Class Honours, Upper Division) from National University of Singapore.



## Board of Directors



**KOK CHEE WAI**  
Independent Director

**Date of First Appointment to the Board:**  
1 January 2014

**Last Reappointed to the Board:**  
11 April 2017

**Committee(s) served on:**

- Chairman of NC
- Member of AC and RC

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 financings, which includes 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**  
Independent Director

**Date of First Appointment to the Board:**  
1 January 2014

**Last Reappointed to the Board:**  
8 April 2016

**Committee(s) served on:**

- Chairman of AC
- Member of BRC and NC

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.



**LIM WEE KIAN**  
Non-Executive Director

**Date of First Appointment to the Board:**  
28 April 2004

**Last Reappointed to the Board:**  
11 April 2017

**Committee(s) served on:**

N.A.

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.

# BOARD OF DIRECTORS & SENIOR MANAGEMENT

## Board of Directors



**LOW HUAN PING**  
Non-Executive Director

**Date of First Appointment to the Board:**  
30 June 2005

**Last Reappointed to the Board:**  
10 April 2015

**Committee(s) served on:**  
• Member of BRC

Mr Low is the Executive Vice-President, Technology of SPH. He is also a director of M1 Limited, Magzter Inc. and Shareinvestor.com Holdings Pte Ltd. Previously, he also served on the Boards of MediaCorp Press, Cyberway and Singapore CableVision, and was the CEO of SPH AsiaOne Ltd. Before joining SPH, he headed an IT Division in the Ministry of Defense System and Computer Organisation. He was awarded the Overseas Merit Scholarship in 1975, and holds a Bachelor of Arts (Honours) and Master of Arts from Cambridge University, where he read Engineering and a Master of Science from National University of Singapore. Mr Low graduated from Harvard Business School's Advanced Management Program.



**GOH BING YUAN**  
Executive Director

**Date of First Appointment to the Board:**  
2 January 2018

**Committee(s) served on:**  
• N.A.

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.



**KELVIN YIP HOK YIN**  
Executive Director\*

**Date of First Appointment to the Board:**  
1 January 2016

**Last Reappointed to the Board:**  
8 April 2016

**Date of Cessation:**  
2 January 2018\*

Mr Yip is the Managing Director (Platform Services) of iFAST HK. He 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 Chief Operating Officer in April 2014 till June 2017. 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.

\*Mr Kelvin Yip Hok Yin has completed his term and ceased as Executive Director effective 2 January 2018. He remains as Managing Director (Platform Services) for our Hong Kong subsidiaries and continues to be a member of the Senior Management team.

## Senior Management



LIM CHUNG CHUN



WONG SOON SHYAN



LEUNG FUNG YAT DAVID



LIM WEE KIONG



DENNIS TAN YIK KUAN



KELVIN YIP HOK YIN



BERNARD TEO WEE HOWE



GOH BING YUAN

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# BOARD OF DIRECTORS & SENIOR MANAGEMENT

## Senior Management

### 2 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.

### 3 LEUNG FUNG YAT DAVID

Group Chief Finance 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.

### 4 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.

### 5 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).

### 7 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 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.

### 1 FOR LIM CHUNG CHUN'S

COMPLETE PROFILE:  
Please refer to [Page 6](#)

### 6 FOR KELVIN YIP HOK YIN'S

COMPLETE PROFILE:  
Please refer to [Page 8](#)

### 8 FOR GOH BING YUAN'S

COMPLETE PROFILE:  
Please refer to [Page 8](#)

# CORPORATE ORGANISATION

## iFAST CENTRAL



Provides a suite of services to B2B companies that include a wide range of investment products, IT solutions, collection of fees and other operational support, and the adoption of a wrap account.

## iFAST GLOBAL PRESTIGE



An extension of the services provided by iFAST Central, by catering to the specific requirements of B2B wealth advisers who are servicing HNW investors.

## iFAST PENSIONS



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

## FUNDSUPERMART



A seamless multi-products transactional platform for DIY investors, which encompasses a wide range of investment products and services including funds, bonds, stocks, ETFs, insurance products and robo-advisory portfolios, supported with user-friendly website and mobile application, comprehensive research advice, and solid customer services support.

## BONDSUPERMART



Regional bond information portal providing comprehensive bond information such as bond prices and yields-to-maturity, as well as research for investors and wealth advisers.

## iFAST GLOBAL MARKETS



A team of in-house wealth advisers that provides customers with transparent adviser-assisted wealth management plans (as at 31 December 2017, the iGM platform is available in Singapore, Hong Kong, Malaysia and China).

## iFAST FINTECH SOLUTIONS



A new business division that looks to provide innovative Fintech solutions for Fintech Entrepreneurs, Financial Advisers, and Financial Institutions by delivering customised solutions that suit their clients' needs.



# CORPORATE ORGANISATION

## REGIONAL



## INDIA



**fundsUPERMART.com**  
INDIA

## CHINA



**iFAST GLOBAL MARKETS**

## HONG KONG



**iFAST GLOBAL MARKETS**



## MALAYSIA



**iFAST GLOBAL MARKETS**

**fundsUPERMART.com**  
MALAYSIA

## SINGAPORE



**iFAST GLOBAL MARKETS**



SGX – Singapore Exchange Limited  
CDP – The Central Depository (Pte) Limited  
MAS – Monetary Authority of Singapore  
MPFA – Mandatory Provident Fund Schemes Authority  
SFC – Securities and Futures Commission  
SEHK – The Stock Exchange of Hong Kong Limited  
HKSCC – Hong Kong Securities Clearing Company Limited  
SC – Securities Commission Malaysia  
BNM – Bank Negara Malaysia  
IPRA – Institutional PRS Adviser  
FIMM – The Federation of Investment Managers Malaysia  
IUTA – Institutional UTS Adviser  
CSRC – China Securities Regulatory Commission  
AMAC – Asset Management Association Of China  
SAMC – Shenzhen Asset Management Association

## 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 IRPA [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 LIMITED

- Formerly known as iFAST Platform Services (Shenzhen) Qianhai 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 16.06% stake in iFAST Financial India Pvt Ltd through iFAST India Holdings Pte Ltd as at 31 December 2017

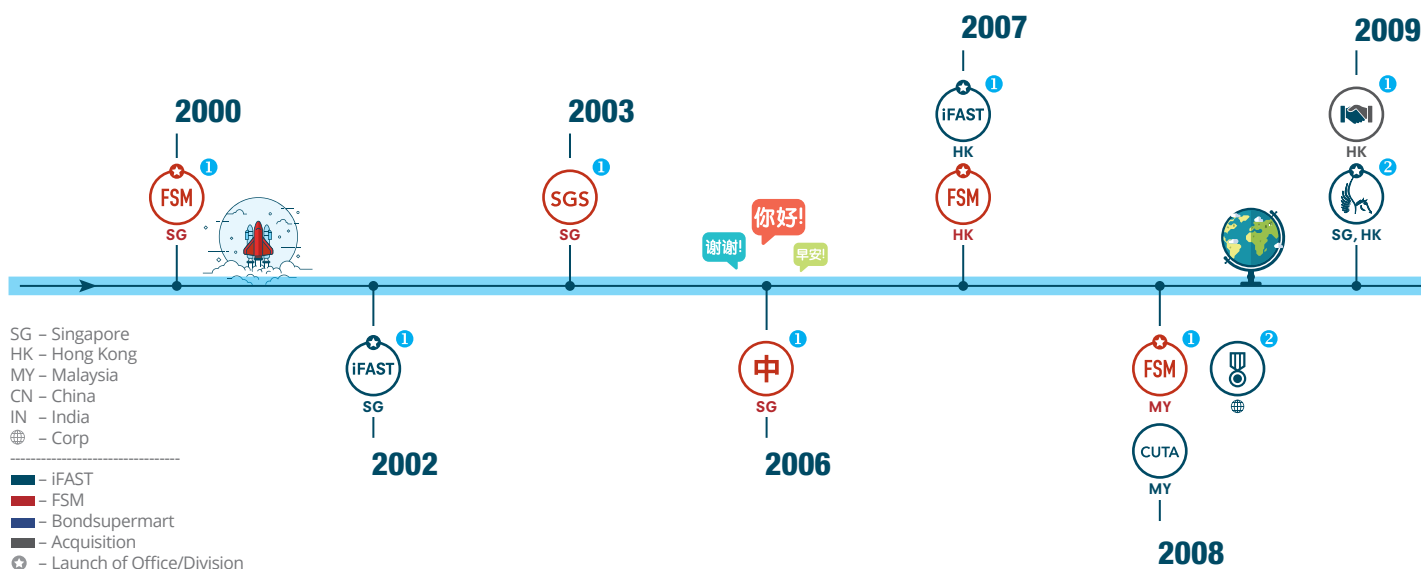
### iFAST FINANCIAL INDIA PVT LTD

#### *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

(2000 - 2017)

# MILESTONES & AWARDS



## 2000

- 1 Fundsupermart.com Pte Ltd was incorporated in Singapore on January (subsequently renamed iFAST Financial Pte. Ltd. on April 2003). Fundsupermart Holdings Pte. Ltd. incorporated on September (renamed iFAST Corporation Pte. Ltd. on March 2003).

## 2002

- 1 iFAST Platform Services (B2B) 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 trusts 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

- 1 iFAST Corp acquired ING Platform Services Ltd ("IPS"), a Hong Kong-based platform (subsequently renamed iFAST Platform Services (HK) Limited).
- 2 iFAST Global Prestige ("iGP") platform was first launched in Singapore before commencing operations in Hong Kong in July 2010.

## 2011

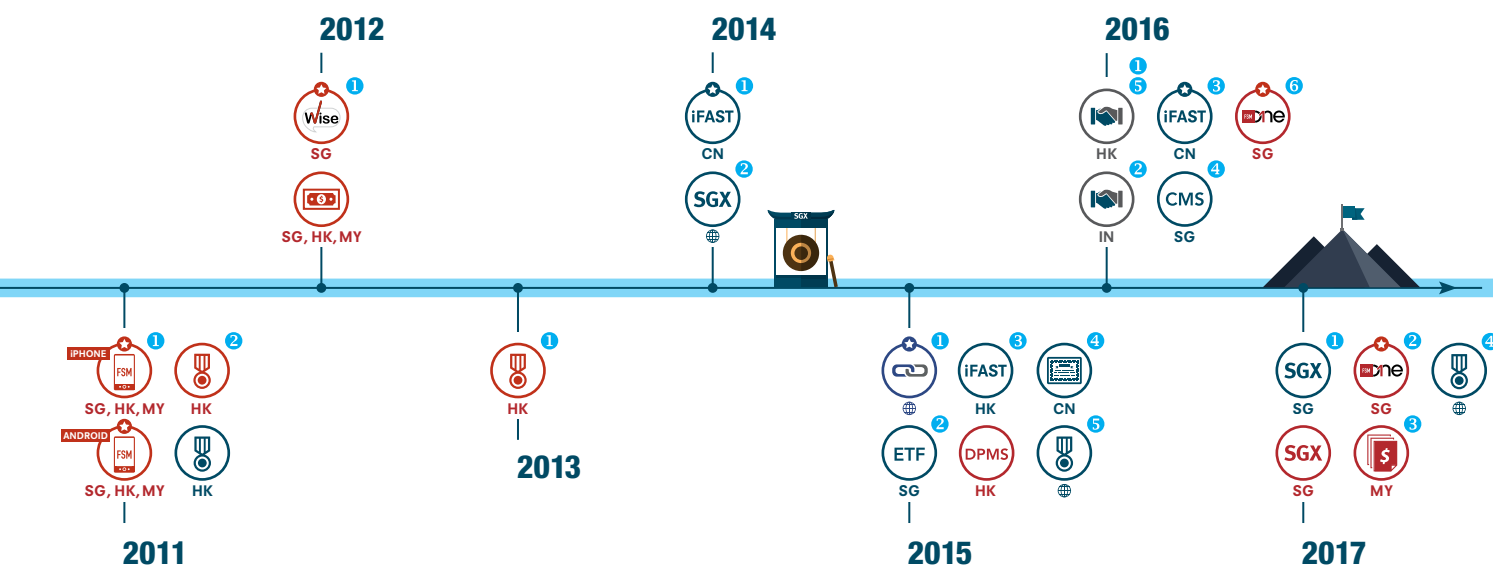
- 1 "FSM Mobile" App for iPhone was launched in Singapore, Hong Kong and Malaysia. The Android version was launched thereafter in May.
- 2 iFAST HK received the "Best-in-Class" award in the "Platform Provider of the Year – Professional" category and FSM (HK) received the "Best-in-Class" award in the "Best in Online Usability" category at the Benchmark Wealth Management Awards 2011.

## 2012

- 1 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 begun on FSM HK in 2012 and on FSM MY in 2013. Sales charge for all bond funds were lowered to 0% on FSM SG in 2014.

## 2013

- 1 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

- 1 iFAST China incorporated in July.
- 2 iFAST Corp (Stock Code: AIY) was officially listed on the SGX-ST Mainboard on 11 December 2014.

## 2015

- 1 Launch of BondsUPERMART.
- 2 iFAST Singapore began the distribution of bonds and ETFs in May.
- 3 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.
- 4 iFAST China received Funds Distributor Qualification.
- 5 iFAST Corp 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 SIA Investors' Choice Awards 2015.

## 2016

- 1 iFAST Corp acquired Winfield Securities Limited, a Hong Kong securities firm in January (subsequently renamed iFAST Securities (HK) Limited).
- 2 Acquisition of a stake in the holding company of iFAST India platform business in April.
- 3 Official opening of the Shanghai office in August.
- 4 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.
- 5 Acquisition of Canadian Financial Consultants Limited, an insurance brokerage firm in Hong Kong on November (subsequently renamed iFAST Insurance Brokers (HK) Ltd).
- 6 FSMOne multi-products and services platform was launched in December in Singapore, offering products and services such as HKEX Stocks/ETFs, FSM MAPS (My Assisted Portfolio Solution) robo-advisory services, all funds at 0%, Bond Express, and insurance products.

## 2017

- 1 iFAST Singapore 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; followed by the launch of SGX trading capabilities on FSM SG platform in June, and on B2B platform in July. Subsequently, US stockbroking services was launched on FSM SG in December.
- 2 FSMOne launched in November in Hong Kong following the launch of stocks and ETFs on FSM HK in April.
- 3 Launch of bonds and robo-advisory portfolios respectively in April and May on FSM MY.
- 4 iFAST Corp emerged first runner up in the "Best in Sector – Information Technology" category at IR Magazine Awards & Conference – South East Asia 2017.

# (2017) IN PERSPECTIVE



The Group believes that the efforts over the last two to three years to broaden the range of products and services available on its platforms are showing some initial results:

- The Group's AUA grew 24.3% YoY, reaching a record high of \$7.58 billion, marking the sixth consecutive quarter of record AUA levels as at 31 Dec 2017.
- Revenue and profitability also improved significantly over FY2017, with net revenue increasing 21.5% YoY to \$49.45 million and net profit rising 65.9% YoY to \$9.04 million.

The above improvements resulted from the Group's continuing efforts at enhancing and strengthening its investment platforms in the various markets, as well as positive market and investor sentiments.

With the additional product capabilities introduced over the past few years, the Group now runs a more comprehensive wealth management platform that will help bring the Group's AUA and overall business volume to higher levels in the years ahead.

The Group believes that in the medium to long term, there is still a lot of room for growth as the current AUA is still a small amount relative to the size of the wealth management industry in Singapore and Asia.

Barring a major deterioration of the financial markets, the Group expects the operations in the existing key markets of Singapore, Hong Kong and Malaysia to show further YoY improvement in FY2018.

With the new range of services and product capabilities on board the various markets, the Group will continue to focus on gaining scale as a platform, while also ensuring continuing improvements in the service offerings.

## SINGAPORE

**Singapore's AUA grew 19.3% YoY, reaching a record high of \$5.18 billion as at 31 December 2017. Net revenue grew 17.7% YoY to \$34.77 million in FY2017, while net profit before tax grew 31.3% YoY to \$11.91 million in FY2017. The growth was mainly attributed to increases in investment subscriptions of the various investment products distributed on both its B2B and B2C platforms.**

Following the launch of FSMOne, a seamless multi-products transactional platform on its Singapore B2C operation in December 2016, the Singapore operation was well-positioned to further grow its business in 2017 with the additional product capabilities (Hong Kong, Singapore and US listed stocks and ETFs) and services (FSM MAPS robo-advisory portfolios, Bonds Express and etc).

In June 2017, 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"). Subsequently, the Singapore operation launched SGX trading capabilities on its B2C platform with the FSMOne account in end June, and on its B2B platform in July 2017. In December 2017, US stockbroking services was launched on the B2C platform, providing further access for customers to invest globally.

For the B2B division, the Group has always seen itself as a partner to FA companies in the wealth management industry. In addition to the existing investment in two FA firms, namely Providend Holding Private Limited and PC iFAST Holding (SG) Pte Ltd made in June 2014 and April 2016 respectively, the Group in 3Q2017 acquired a minority stake in RAF Holdings Pte Ltd, a FA firm in Singapore.

As the Group's wealth management solutions are focused on growing AUA, following the introduction of SGX stock trading capabilities, the Singapore operation has been able to introduce competitive fees on both its B2C and B2B platforms.

The Group also believes that the more complete range of investment products and its Fintech capabilities will continue to give B2B FA companies stronger wealth management capabilities in reaching out to more high net worth clients presently served by financial institutions such as private banks.



## HONG KONG

Hong Kong's AUA grew 27.4% YoY to \$1.68 billion as at 31 December 2017, while net revenue increased 24.5% YoY to \$10.78 million and net profit before tax improved 242.4% YoY to \$1.82 million in FY2017.

Positive market sentiment contributed to the significant improvement in AUA, sales and revenue, with the Hong Kong operation experiencing good growth momentum in both its B2B and B2C segments, and sales in both unit trusts and bonds saw a strong growth in FY2017.

The Hong Kong operation continued to broaden the range and depth of the products and services on its platforms, and with the launch of multi-products FSMOne platform in November 2017, Hong Kong B2C customers are now able to invest in multiple products, including unit trusts, bonds, stocks, ETFs and managed portfolios (robo-advisory portfolios) via one account.

In October 2017, iFAST Fintech Solutions division was launched in Hong Kong to provide Fintech solutions to support business partners and other financial institutions.

With almost a complete suite of products available on board across both B2B and B2C platforms, the Hong Kong operations will work towards gaining scale as a platform, and to ensure improvements in the service offerings.

## MALAYSIA

Malaysia's AUA grew 52.0% YoY to hit a record high of \$557.73 million as at 31 December 2017, while net revenue grew 53.5% YoY to \$3.47 million and net profit before tax grew by 182.3% YoY to \$1.07 million in FY2017.

In April 2017, the launch of bonds and Bond Express service provided the investor community in Malaysia to have easier online access to bonds, empowering investors seeking yield-enhancing products.

In the same month, the Malaysia operation also obtained approval to include the regulated activity of fund management in relation to portfolio management to its licence, and in May expanded the investment products range to include robo-advisory managed portfolios.

The strong growth in Malaysia revenue has been contributed by a significant growth in the unit trust business, and following the introduction of bonds and robo-advisory portfolios in 2Q2017, there has been good growth in the number of investors opening an investment account in recent quarters.

With the additional product capabilities brought on board both the B2B and B2C platforms, the Malaysia operations will continue to work towards gaining scale and improving the service offerings.

## CHINA

China's AUA grew 318.0% YoY to RMB406.6 million as at 31 December 2017, while net revenue continued to improve, increasing by 83.4% YoY in FY2017, benefitting from improvements in both the onshore and offshore China markets.

The China business remains in the early stages of building the iFAST brand among potential clients and investment practitioners in China's wealth management industry, as operations in China have only soft launched in 1Q2016.

The China operation has continuously increased the range of fund house partners and the funds carried on the platform; as at 31 December 2017, the China operation has signed up over 65 fund houses, with over 2,500 funds on its platform.

The China operation is continuing to bring in sales through its team of in-house wealth advisers (under the 'platform-cum-IFA incubator' strategy).

For the China B2B onshore business, the China operation is working to expand its network with existing B2B partners in the market. The China operation has signed up with more than 30 B2B partners (including Internet and financial services companies) as at end 2017.

The Group has also been working on ways to enhance its offshore business offerings to investors from China, especially via the Group's Hong Kong and Singapore markets.

In 3Q2017, the Group acquired a minority stake in Beijing Financial Alliance Technology Co Ltd (BFAT/北京理财联盟科技有限公司); BFAT provides consultancy and advisory services to financial practitioners and financial institutions to enhance their competitiveness and expertise in the wealth management industry.

The China operations will continue to recruit and provide training for the in-house advisory arm, and foresees the onshore B2B business could boost future AUA and sales numbers. The Group also expects the partnership with BFAT to allow the China operation to tap on BFAT's network of financial planners, offering possible leads for its sales team as well as to sign up potential B2B companies.

For the B2B offshore business, increased contributions can be expected in the future, as more Chinese companies are looking to help their clients invest internationally.

While various efforts have been taken to step up the initial growth of the China operation over the last two years, the Group expects the losses in the China operations for FY2018 to be comparable to FY2017.

In the years ahead, the Group expects the China operation to show good growth potential.

(2017)

# KEY CHARTS & NUMBERS

All data as at 31 December 2017



## SHARE INFORMATION

### SHARE PRICE

**\$0.885**

### CAPITAL GAIN

**+4.73%**

(Calculated using the 31 December 2017 closing price of \$0.885 and the 31 December 2016 closing price of \$0.845)

**\$1.170**

52-WEEKS HIGH

52-WEEKS LOW

**\$0.590**



### MARKET CAPITALISATION

**\$234.24**  
million



## DIVIDEND INFORMATION

### DIVIDEND YIELD

**3.34%**

### TOTAL RETURN

**8.07%**

### DIVIDEND PER SHARE (CENTS)

**3.01**

### DIVIDEND PAYOUT

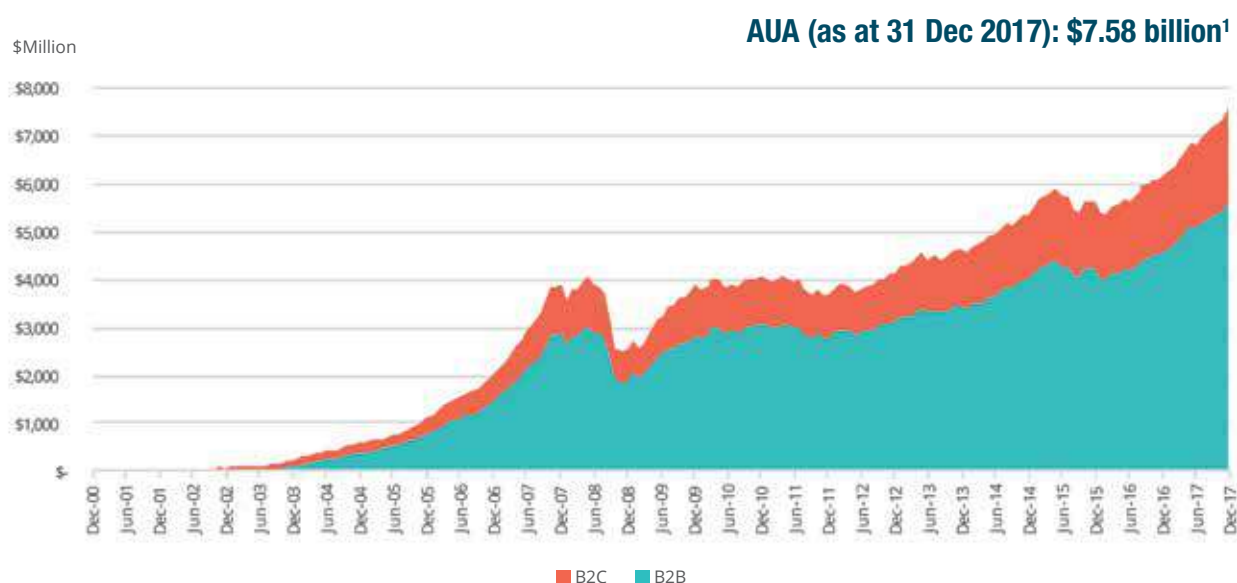
**60.18%**

- Dividend yield is calculated using full year dividend of 3.01 cents divided by weighted average share price during the year of \$0.902 and including the proposed final dividend for FY2017 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 (excluding China operation, and exceptional items) in FY2017

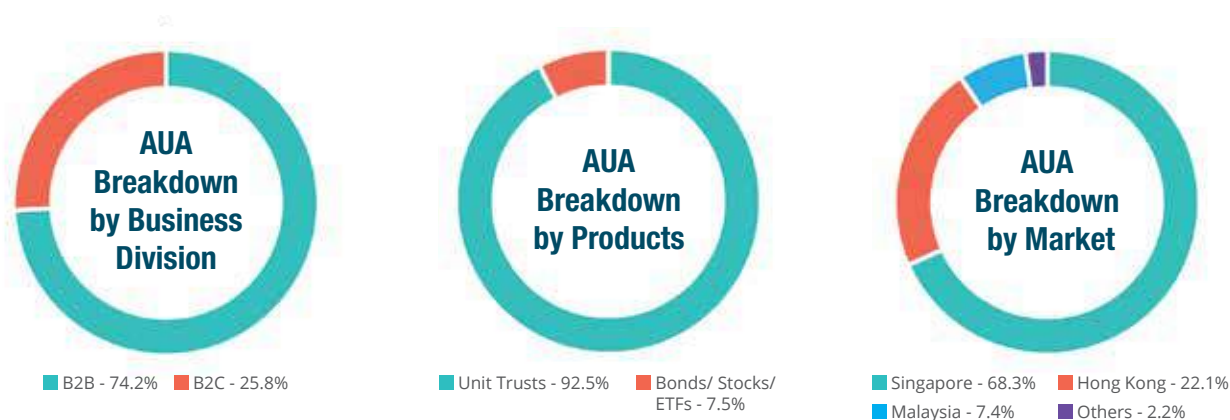
## Assets Under Administration (“AUA”)

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.

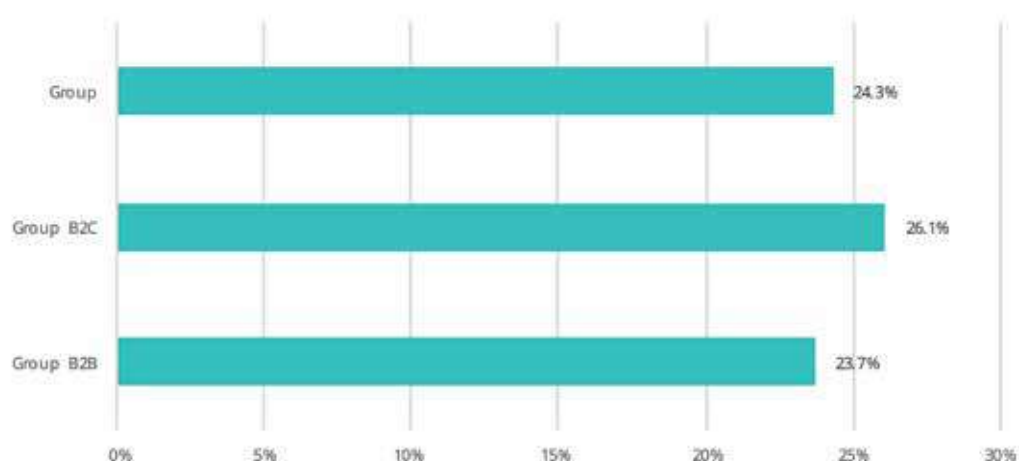
As at 31 December 2017, iFAST Group's AUA increased 24.3% YoY to hit a record high of \$7.58 billion, marking a sixth consecutive quarter of record high AUA levels.<sup>(1)</sup>



<sup>(1)</sup> The Group's AUA as at 31 December 2017 includes its effective 16.06% share of the India Business



### AUA YoY Growth 2017 (by Business Division)

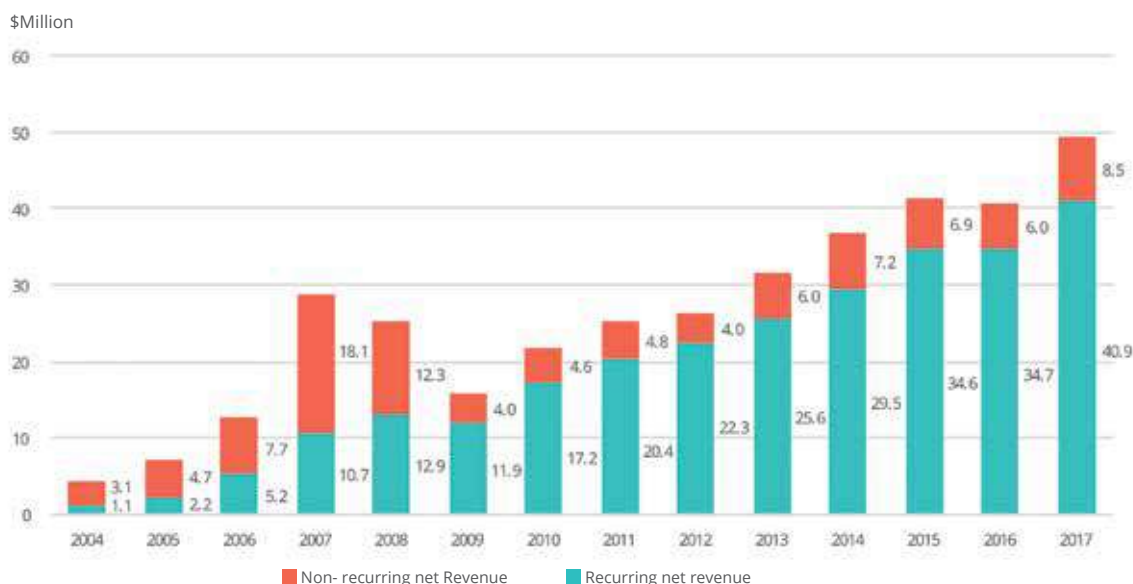


(2017)

# KEY CHARTS & NUMBERS

All data as at 31 December 2017

## Recurring Vs Non-Recurring Net Revenue

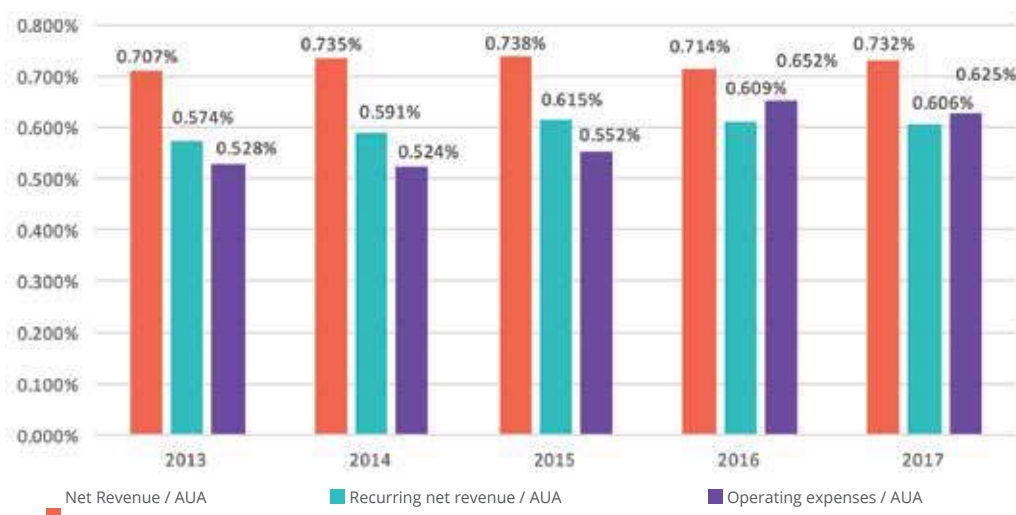


## Net Revenue, Recurring Net Revenue And Operating Expenses As A Ratio Of Average AUA

In view of the guidance we have provided on our China operation (that the China business would be expected to have a negative impact on the Group's overall operating profit on a consolidated basis in 2016 and 2017), and that our Dividend Guidance for FY2016 and FY2017 is based on 60% or more of the Group's net profit (excluding China operation, and exceptional items), we have been presenting our presentation results based on the results of our Group excluding and including the China operation.

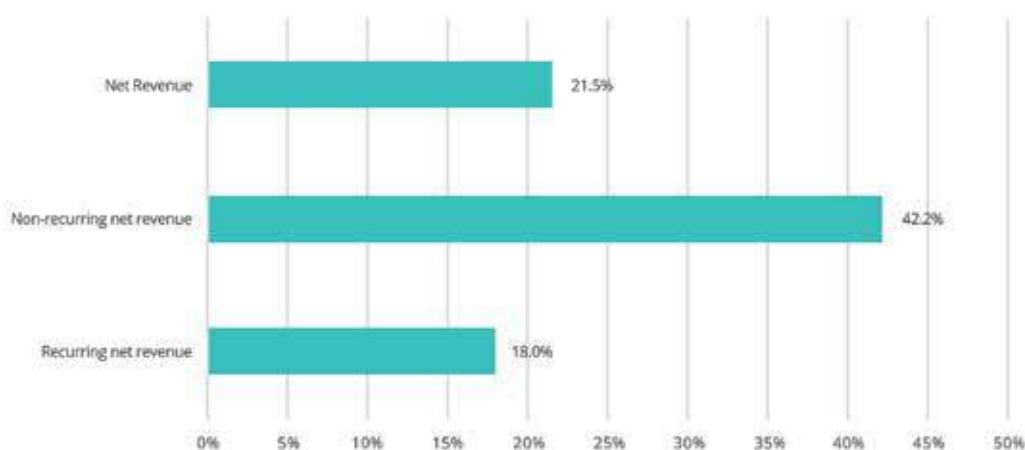
By adopting such a structure in the presentation, investors are able to better assess the performance of the Group in our core operations in Singapore, Hong Kong and Malaysia, with and without the impact from our newer China operation.

### 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 revenue. 83.0% of our net revenue is recurring in the 2012-2017 period, coming from trailer fees from suppliers (i.e. fund houses), platform fees from B2C and B2B customers, and wrap fees from B2B customers.

### YoY Growth



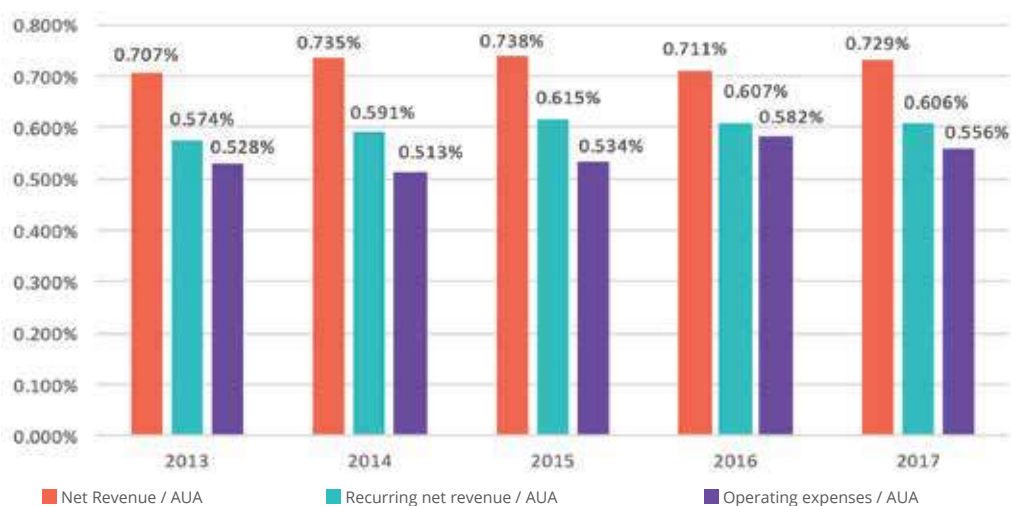
Singapore - 70.3%  
Hong Kong - 21.8%  
Malaysia - 7.0%  
China - 0.9%



### Breakdown of Net Recurring Revenue

Trailer fee 62.9%  
Platform fee 27.2%  
Wrap fee 7.3%  
Others 2.6%

### Excluding China





(2017)

# FINANCIAL HIGHLIGHTS & REVIEW

## FINANCIAL SUMMARY

Financial year ended 31 December	2017	2016	2015	2014 <sup>(1)</sup>	2013 <sup>(2)</sup>
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### FINANCIAL PERFORMANCE INCLUDING CHINA OPERATION (\$'000)

Net revenue	49,445	40,692	41,534	36,687	31,586
Profit before tax	10,085	6,094	12,751	10,868	8,197
Profit for the year from continuing operations	8,830	5,333	12,100	10,475	7,624
Profit attributable to owners of the Company from continuing operations	9,038	5,447	12,100	10,513	7,856

### BREAKDOWN OF NET REVENUE (\$'000)

Recurring net revenue	40,947	34,714	34,647	29,483	25,623
Non-recurring net revenue	8,498	5,978	6,887	7,204	5,963
Net revenue	49,445	40,692	41,534	36,687	31,586

### PER SHARE INFORMATION (CENTS)

Earnings per share	3.43	2.08	4.65	5.06	3.89
Dividend per share	3.01 <sup>(3)</sup>	2.79	2.79	5.38	1.98 <sup>(4)</sup>

### KEY RATIOS

Profit before tax margin based on net revenue	20.4%	15.0%	30.7%	29.6%	25.9%
Return on equity <sup>(5)</sup>	11.4%	7.1%	16.4%	38.7%	31.4%

### FINANCIAL PERFORMANCE EXCLUDING CHINA OPERATION (\$'000)

Net revenue	49,014	40,457	41,534	36,687	31,586
Profit before tax	14,466	9,821	13,731	11,389	8,197
Profit for the year from continuing operations	13,211	9,061	13,080	10,996	7,624
Profit attributable to owners of the Company from continuing operations	13,211	9,061	13,080	11,034	7,856

### BREAKDOWN OF NET REVENUE (\$'000)

Recurring net revenue	40,738	34,538	34,647	29,483	25,623
Non-recurring net revenue	8,276	5,919	6,887	7,204	5,963
Net revenue	49,014	40,457	41,534	36,687	31,586

### PER SHARE INFORMATION (CENTS)

Earnings per share	5.01	3.46	5.03	5.31	3.89
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### KEY RATIOS

Profit before tax margin based on net revenue	29.5%	24.3%	33.1%	31.1%	25.9%
Return on equity <sup>(5)</sup>	16.8%	11.8%	17.7%	40.6%	31.4%

Financial year ended 31 December	2017	2016	2015	2014 <sup>(1)</sup>	2013 <sup>(2)</sup>
<b>BALANCE SHEET (\$'000)</b>					
Non-current assets	22,283	14,704	8,477	4,068	4,355
Current assets	94,451	80,424	82,803	77,025	34,102
Current liabilities	(34,273)	(16,032)	(14,482)	(13,863)	(13,403)
Non-current liabilities	(1,208)	(500)	(239)	(325)	(430)
<b>Net assets</b>	<b>81,253</b>	<b>78,596</b>	<b>76,559</b>	<b>66,905</b>	<b>24,624</b>
Shareholders' equity	81,236	78,446	76,559	66,905	23,966
Non-controlling interests	17	150	-	-	658
<b>Total equity</b>	<b>81,253</b>	<b>78,596</b>	<b>76,559</b>	<b>66,905</b>	<b>24,624</b>
<b>CASH FLOW (\$'000)</b>					
Net cash from operating activities	13,217	5,630	14,178	10,178	7,126
Capital expenditure	7,466	6,615	5,454	2,339	1,554

Notes:

<sup>(1)</sup> Excluding IPO expenses of \$1.95 million in December 2014.<sup>(2)</sup> Excluding one-off gain of \$0.62 million on distribution to owners of the Company in October 2013.<sup>(3)</sup> Including interim dividends paid and proposed final dividend for the respective financial year.<sup>(4)</sup> Excluding dividend by way of distribution in specie in October 2013.<sup>(5)</sup> Return on equity is calculated based on the average of the month-end shareholders' equity for the respective financial year.

## FINANCIAL REVIEW

	FY2017 \$'000	FY2016 \$'000	Change %
<b>Financial Highlights (Including China Operation)</b>			
Net revenue	49,445	40,692	21.5
Operating expenses	42,276	37,160	13.8
Profit before tax	10,085	6,094	65.5
Profit for the year	8,830	5,333	65.6
Profit attributable to owners of the Company	9,038	5,447	65.9
Earnings per share	3.43	2.08	64.9
Dividend per share	3.01	2.79	7.9

	FY2017 \$'000	FY2016 \$'000	Change %
<b>Financial Highlights (Excluding China Operation)</b>			
Net revenue	49,014	40,457	21.2
Operating expenses	37,401	33,127	12.9
Profit before tax	14,466	9,821	47.3
Profit for the year	13,211	9,061	45.8
Profit attributable to owners of the Company	13,211	9,061	45.8
Earnings per share	5.01	3.46	44.8

(2017)

# FINANCIAL HIGHLIGHTS & REVIEW

## OPERATING PERFORMANCE

The Group believes that the efforts over the last two to three years to broaden the range of products and services available on its platforms and enhance the financial technology ("Fintech") capabilities of its platforms have been showing some initial results. The Group's AUA grew 24.3% YoY to reach a new record of \$7.58 billion as at 31 December 2017.

The net revenue of the Group (excluding China operation) increased 21.2% from \$40.46 million in FY2016 to \$49.01 million in FY2017.

Excluding China operation, the operating expenses increased 12.9% from \$33.13 million in FY2016 to \$37.40 million in FY2017, in line with the Group's business expansion as well as the Group's increased efforts in enhancing its platform capabilities and broadening the range of products and services being provided to customers in the year.

With the net revenue growth outpacing the operating expenses growth, the profit before tax of the Group (excluding China operation) rose 47.3% from \$9.82 million in FY2016 to \$14.47 million in FY2017, which reached a record high over the past five years.

China operation is still in the early stages of building the iFAST brand and business in this new market. The net loss from China operation reduced the overall profitability of the Group (including China operation) by \$4.17 million in FY2017. However, various efforts have been taken to step up the initial growth of the China operation over the last two years. The AUA of China operation grew 318.0% YoY to RMB 406.6 million as at 31 December 2017.

## 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 \$49.45 million in FY2017 was 21.5% higher than FY2016.

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

	FY2017 \$'000	FY2016 \$'000	Change %
Recurring net revenue	40,947	34,714	18.0
Non-recurring net revenue	8,498	5,978	42.2
Total net revenue	49,445	40,692	21.5

Recurring net revenue is usually calculated based on a percentage of average AUA of Investment Products distributed on the Group's platforms, and mainly comprises trailer fees, platform fees and wrap fees. The increase in recurring net revenue was due mainly to an increase in average AUA for both B2B business division and B2C business division, benefiting from new inflows of investments from customers besides positive market sentiment in the year. The average AUA of the Group had a value of approximately \$6.76 billion in FY2017 (FY2016: \$5.70 billion) at a YoY growth of 18.3%.

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 financial advisory firms; advertising fee earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution fees for provision of IT solutions to business partners. The increase in non-recurring net revenue was due mainly to increases in commission income as a result of increased investment subscription from customers and IT outsourcing fees earned from provision of IT 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.

	FY2017 \$'000	FY2016 \$'000	Change %
Singapore	34,765	29,539	17.7
Hong Kong	10,781	8,658	24.5
Malaysia	3,468	2,260	53.5
	49,014	40,457	21.2
China	431	235	83.4
Total net revenue	49,445	40,692	21.5

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's net revenue. The net revenue in Singapore operation grew 17.7% YoY in FY2017, which was mainly contributed by increases in investment subscription amounts (including transfer-in amounts) in unit trusts ("UTs"), bonds, ETFs, stocks and robo-advisory portfolios in the year. After the launch of HKEX stockbroking service in December 2016, the Singapore operation further launched on its FSMOne platform the SGX stockbroking service in June 2017 and the US stockbroking service in December 2017 to allow its customers to invest more globally. The AUA of Singapore operation grew 19.3% YoY as at 31 December 2017.

In Malaysia, the significant growth of UT business and AUA contributed to the significant increase in net revenue of 53.5% YoY in FY2017. With introduction of bonds into customers' investment portfolios and the launch of robo-advisory portfolio service in the second quarter of 2017, it has attracted more investors to open investment accounts on the B2C investment platform in recent quarters. The AUA of Malaysia operation grew 52.0% YoY as at 31 December 2017.

Hong Kong operation also continued its efforts to broaden the range and depth of its investment products and services on its platforms in the year and launched its new FSMOne platform in the fourth quarter of 2017. The significant increase in net inflows of investments from customers in the year resulted in an increase in net revenue of 24.5% YoY in FY2017. The AUA of Hong Kong operation grew 27.4% YoY as at 31 December 2017.

China business still remains in the early stages of building the iFAST brand among potential clients and investment practitioners in China's wealth management industry. For the China onshore business, the China operation is working to expand its network with existing B2B partners in the market. For the China offshore business, it continues to help investors in China invest internationally, especially through the Group's Hong Kong and Singapore markets. The net revenue in China operation grew 83.4% YoY in FY2017, benefitting from the onshore and offshore Chinese markets growing increasingly over the year.

## OPERATING EXPENSES

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

	FY2017 \$'000	FY2016 \$'000	Change %
Operating expenses (excluding China operation)	37,401	33,128	12.9
Operating expenses in China operation	4,875	4,032	20.9
Total operating expenses	42,276	37,160	13.8

The Group's total operating expenses increased 13.8% from \$37.16 million in FY2016 to \$42.28 million in FY2017. Excluding China operation, the Group's operating expenses increased 12.9% from \$33.13 million in FY2016 to \$37.40 million in FY2017. The operating expenses of China operation increased 20.9% from \$4.03 million in FY2016 to \$4.88 million in FY2017.

The increases were due mainly to an increase in amortisation of intangible assets as a result of additions of intangible assets (including internally-developed IT software assets) in FY2017 to support our business expansion in the countries that the Group operates in and continuously strengthen the Fintech capabilities on our platforms; an increase in rental of China operation in the year arising from an opening of the new Shanghai office in the third quarter of 2016, an increase in rental of Singapore operation arising from lease of additional office space in Singapore from July 2017; increases in staff costs as a result of the annual salary increment adjusted in January 2017, the increased number of staff over the year, and higher staff bonus in line with improved business performance provided in 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 our efforts in enhancing our platform capabilities including launches of new products and services in our existing markets (excluding China market) as well as building our business in China market in the year.

(2017)

# FINANCIAL HIGHLIGHTS & REVIEW

## 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 market) and China market.

	FY2017 \$'000	FY2016 \$'000	Change %
Singapore	11,907	9,070	31.3
Hong Kong	1,818	531	242.4
Malaysia	1,067	378	182.3
Other <sup>(1)</sup>	(326)	(158)	106.3
Profit before tax (excluding China operation)	14,466	9,821	47.3
Tax expense	(1,255)	(760)	65.1
Net profit after tax (excluding China operation)	13,211	9,061	45.8
China	(4,173)	(3,614)	15.5
Net profit after tax (including China operation)	9,038	5,447	65.9

Note:

<sup>(1)</sup> Representing share of results of associates.

Overall, excluding China operation, the Group's profit before tax increased by \$4.65 million or 47.3% from \$9.82 million in FY2016 to \$14.47 million in FY2017, driven by the scalability of our business and the higher contributions from our Group's operations in Singapore, Hong Kong and Malaysia in the year.

Tax expense increased by \$0.50 million from \$0.76 million in FY2016 to \$1.26 million in FY2017, due mainly to an increase in taxable income from Singapore operation in the year. The effective tax rate remained relatively low due mainly to continued utilisation of unabsorbed tax losses from prior years by Hong Kong and Malaysia operations in the year.

The China operation is still in the early stages of building the iFAST brand and business in this new market. The loss from China operation increased by 15.5% from \$3.61 million in FY2016 to \$4.17 million in FY2017. As at 31 December 2017, the China operation has signed up more than 65 fund houses, with over 2,500 funds on its platform, and has also signed up with more than 30 B2B partners (including Internet and financial services companies) in the market.

Including China operation and tax expense, the Group's net profit after tax increased by \$3.59 million or 65.9% from \$5.45 million in FY2016 to \$9.04 million in FY2017.

## FINANCIAL POSITION

The shareholders' equity of the Group increased to \$81.24 million as at 31 December 2017 from \$78.45 million as at 31 December 2016. This was due mainly to contribution of net profit generated and increases in share capital arising from share options exercised in FY2017, and partially offset by payments of dividends 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) increased to \$55.91 million as at 31 December 2017 from \$54.59 million as at 31 December 2016.

Current assets increased to \$94.45 million as at 31 December 2017 from \$80.42 million as at 31 December 2016, due mainly to increases in trade and other receivables as results of an increase in trade receivables in line with the increase in revenue in the year and increases in uncompleted contracts on securities dealing at end of the year.

Non-current assets increased to \$22.28 million as at 31 December 2017 from \$14.70 million as at 31 December 2016. The increase was mainly due to purchases of strategic investments of minority stakes in an institutional business partner in China and a FA firm in Singapore amounting to \$3.8 million in the third quarter of 2017. The increase was also due to additions of plant and equipment and intangible assets (including internally-developed IT software assets) in the year, and a goodwill amounting to \$0.36 million arising on an acquisition of an insurance broker firm in Hong Kong, namely iFAST Insurance Brokers (HK) Limited (formerly known as Canadian Financial Consultants Limited), in January 2017.



Total liabilities increased to \$35.48 million as at 31 December 2017 from \$16.53 million as at 31 December 2016. This was due mainly to an increase in tax payables and increases in trade and other payables as a result of increases in uncompleted contracts on securities dealing and securities investment at end of the year.

## CASH FLOWS

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

	FY2017 \$'000	FY2016 \$'000
Net cash from operating activities	13,217	5,630
Net cash from /(used in) investing activities	5,175	(6,831)
Net cash used in financing activities	(6,616)	(5,830)
Net increase /(decrease) in cash and cash equivalents	11,776	(7,031)
Effect of exchange rate fluctuations on cash held	(742)	(25)
Cash and cash equivalents at beginning of the year	22,464	29,520
Cash and cash equivalents at end of the year	33,498	22,464

Net cash from operating activities increased from \$5.63 million in FY2016 to \$13.22 million in FY2017, due mainly to higher operating profit generated in the year and favourable changes in working capital at end of the year.

Net cash from investing activities was \$5.18 million in FY2017 compared to net cash of \$6.83 million used in investing activities in FY2016. This was due mainly to higher net proceeds from redemption of investment in financial assets net of payments for reinvestment in financial assets and lower additional investment in associates in the year, which was partially offset by higher additional purchase of plant and equipment and intangible assets in the year.

Net cash used in financial activities increased from \$5.83 million in FY2016 to \$6.62 million in FY2017, which was due mainly to proceeds of US\$1.75 million (equivalent \$2.41 million) from shares issued by China operation to non-controlling interests received in FY2016 and higher dividend payout in FY2017 and partially offset by lower purchase of treasury shares in FY2017.

# SUSTAINABILITY STATEMENT & 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 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.

For the Company's first sustainability report, the taskforce has laid the groundwork by surveying the various departments in the Company to identify the material Environmental, Social and Governance ("ESG") issues and key stakeholders of the various teams, before compiling and presenting the preliminary findings to the Board and Senior Management, who subsequently established the finalised material ESG factors for the Company.

For this first sustainability report, the reporting scope will 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 2017. The reporting period is from 1 January 2017 to 31 December 2017.

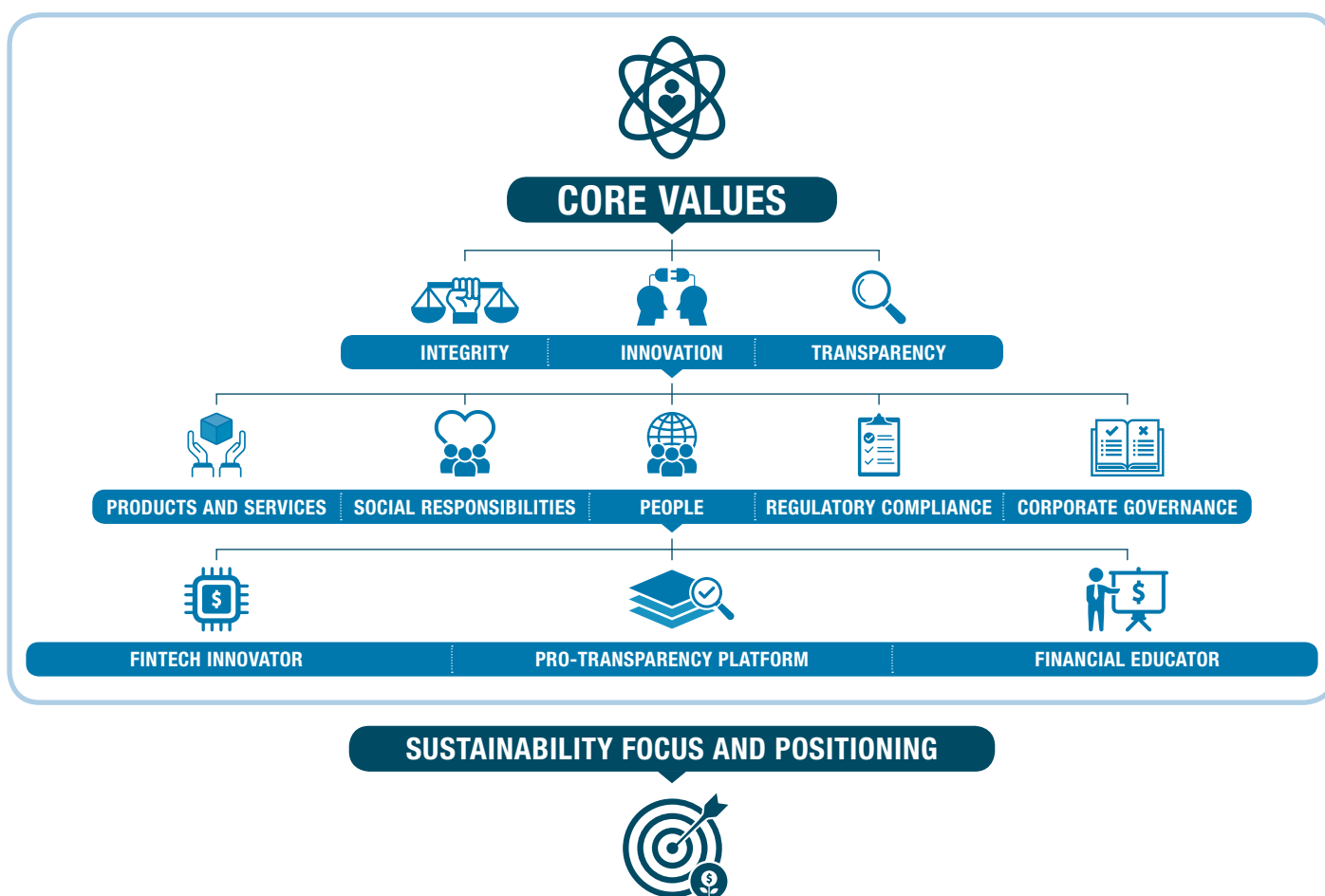
While similar initiatives from the other markets of the Company (Hong Kong, Malaysia and China) may also be mentioned in the report, they are not within the reporting scope this year, and the Company intends to incorporate, in phases, the other markets into the reporting scope in the coming years.

The inaugural 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 have been presented.

Due to the nature of the business as an online investment products distribution platform, there may be aspects within the scope of the standard ESG sustainability issues that are not seen as material and key 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 to reduce the footprint.

For the identified key material issues, while measurable targets were not set for FY2017, the Company intends to start and implement in phases quantifiable targets for the material ESG factors in the upcoming years.

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



While reviewing the key stakeholders and establishing the ESG material issues for this sustainability exercise, the Company has evaluated the scope of the various issues, and has decided 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.

Preceding this sustainability reporting exercise, and as elaborated in the last few issues of our Annual Reports, 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.

Since the early days of our operations, promoting financial literacy has been one of the key focus areas to grow the business sustainably, and various initiatives have been adopted to achieve our goal of empowering investors, including providing easy access to research and transparent information on our platforms.

Other than regular research content into the various products on board our platforms, macro market outlook, as well as interviews with the industry professionals including fund managers, we also hold a number of events throughout the year to be in touch with our customers and the investment community, while providing easy access for investors to interact directly with our investment professionals and industry experts from our fund house partners.

The emphasis on providing research and financial education continues, even as we venture into new markets or launch new products and services. This is especially so in the last two to three years where we have been broadening the range of products available on our platforms.

Other than publishing educational articles to help retail investors better understand the new products and asset classes, the Research team has also been working with our B2B partners to support them in providing the requisite updates and knowledge to their customers.

The Company also believes that our in-house technological capabilities has laid the foundation for us to constantly innovate and improve our platforms. Alongside our endeavours to develop the business, various initiatives have also been taken to ensure that the technologies adopted within the Company 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. These initiatives have allowed us to remain competitive in a fast-changing industry.

Apart from possessing the 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 only when the structure of investment products is made transparent, and only when the fees and commissions that investors have to pay to their bankers and agents is clear and transparent, can confidence in the wealth management industry develop. This 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 for the benefit of 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 the material ESG factors, and to monitor the impact the Company's operation has on our various stakeholders.


The Company has a set of guidelines to duly engage stakeholders, and hopes to, through the various established engagement channels that are already in place, better understand and address the concerns, suggestions and opinions of our stakeholders.

The Company also reviews the engagement channels and frequency from time to time, to ensure that the existing initiatives are sufficient to deal with current ESG-related issues faced by the identified stakeholders. The Company is also committed to improve and enhance current engagement channels, and will take initiatives to





identify new and upcoming issues that may affect the sustainability standing of the Company, as well as to introduce corresponding measures to resolve the new ESG issues.

The Company will also review the feedback and suggestions gathered from the stakeholders through the various engagement channels, which may be considered in the future when the Management team formulates business plans, strategies and directions related to the respective sustainability issues.

After evaluating the relevance and the degree of impact, the Company has identified seven key stakeholder groups, and will be elaborating on the following engagement channels as well as the steps taken to address their concerns and expectations:



STAKEHOLDER [Internal/ External/ Direct/ Indirect]	ENGAGEMENT CHANNELS	CONCERNS AND ISSUES OF STAKEHOLDERS & SUMMARY OF INITIATIVES TO ADDRESS THEM	OBJECTIVES OF CORRESPONDING ESG INITIATIVES
 <b>Employees</b> [Direct & Internal]	<ul style="list-style-type: none"> <li>• Company updates and presentations</li> <li>• Regular email notifications</li> <li>• Regular company e-newsletters</li> <li>• Intranet</li> <li>• Meetings and seminars (training and development sessions)</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of employee benefits</li> <li>• Fair rewards and remuneration</li> <li>• Career advancements and development</li> </ul>	<ul style="list-style-type: none"> <li>• To retain talent within the Company</li> </ul>
		<ul style="list-style-type: none"> <li>• Availability of health-related initiatives               <ul style="list-style-type: none"> <li>• Sports allowances to encourage healthy lifestyle</li> <li>• Medical and dental partnerships</li> <li>• Staff-initiated sporting activities (eg. stairs climbing, running sessions, step classes etc.)</li> <li>• Incorporating charity and sports (eg. practice sessions for charity sporting events)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To promote a healthy lifestyle for the benefit of our employees and to foster a positive attitude</li> </ul>
		<ul style="list-style-type: none"> <li>• Investment-related assistance:               <ul style="list-style-type: none"> <li>• iFAST Academy: Investment presentations for employees to help them invest globally and profitably</li> <li>• Transactional rebates on products such as stocks/bonds/ETFs/insurance</li> <li>• Employee Investment Scheme</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To help employees kick start their own investments</li> </ul>
		<ul style="list-style-type: none"> <li>• Better understanding of the Company's progress, culture and values               <ul style="list-style-type: none"> <li>• Orientation presentations</li> <li>• Bi-monthly e-newsletters (iFAST Vibes)</li> <li>• Corporate update sessions for employees to get informed on the listed company's results, key business developments and CSR-related activities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To allow better understanding of the Company</li> <li>• To align new employees to the values of the Company, and to help them adjust to working life</li> <li>• To communicate new developments of the Company to our employees</li> </ul>

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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
 <b>Customers</b> (B2C DIY Investors / B2B Financial Advisers, Financial Institutions and etc.) [Direct & External]	<ul style="list-style-type: none"> <li>Website and mobile applications</li> <li>Regular communications through emails, phone calls or live chat</li> <li>Events</li> <li>Surveys to receive feedback</li> <li>Financial educational seminars</li> </ul>	<ul style="list-style-type: none"> <li>To receive sufficient information and tools to make informed investment decisions, and to better understand products and markets <ul style="list-style-type: none"> <li>Financial education efforts include: <ul style="list-style-type: none"> <li>Regularly published research articles touching on market outlook and products;</li> <li>Regular Monday morning meetings for in-house staff;</li> <li>Other investment related seminars and training session for advisers.</li> </ul> </li> <li>Development of new tools on websites and mobile applications</li> </ul> </li> <li>Availability of prompt service and customer assistance <ul style="list-style-type: none"> <li>Various channels available to receive assistance from the customer service team</li> </ul> </li> <li>To be able to receive proper, customised, and independent advisory services <ul style="list-style-type: none"> <li>Transparent platform with prices clearly stated</li> </ul> </li> <li>To be able to effectively and securely transact online <ul style="list-style-type: none"> <li>Security measures for account access</li> <li>Protection of personal data and information</li> <li>User-friendly interface</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>To provide investors with timely information, necessary research and tools to help with their decision making and reach their investment goals</li> <li>To provide relevant, suitable and independent investment solutions (without commission biasness)</li> <li>To provide the infrastructure and user-friendly platform to trade and transact safely and securely</li> </ul>
 <b>Regulators</b> [Direct & External]	<ul style="list-style-type: none"> <li>Regular communications and discussions</li> </ul>	<ul style="list-style-type: none"> <li>Regulations are complied with to ensure stakeholders' interests are protected <ul style="list-style-type: none"> <li>Ongoing checks on work processes</li> <li>Proper work flow, policies and procedures are followed</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>To comply with the guidelines stipulated by the regulators as well as the applicable laws</li> <li>To have polices and clear processes in place to ensure compliance</li> </ul>
 <b>Product Providers</b> (Fund houses / Banks / Insurance Companies / other vendors) [Direct & External]	<ul style="list-style-type: none"> <li>Regular communications</li> <li>Periodic due diligence surveys</li> </ul>	<ul style="list-style-type: none"> <li>To ensure proper and fair selection procedures are in place, and obligations in agreements and contracts are duly carried out <ul style="list-style-type: none"> <li>Ongoing checks and evaluations</li> <li>Unbiased and regular assessment on product providers and their products</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>To strike a good balance between the interests of product providers and customers and to safeguard investors' interest</li> <li>To reconsider the use of vendors if their actions are not aligned to the Company's values</li> </ul>
 <b>Media</b> [Indirect & External]	<ul style="list-style-type: none"> <li>Spontaneous communications</li> <li>Sending of media releases</li> <li>Invitation to events</li> </ul>	<ul style="list-style-type: none"> <li>To be able to receive useful and independent comments on market events or movements <ul style="list-style-type: none"> <li>Provide prompt market views</li> </ul> </li> <li>To be able to receive timely and accurate information regarding the Company <ul style="list-style-type: none"> <li>React to media queries in a timely manner</li> <li>Timely dissemination of the Company's news/updates</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>To leverage on the expertise of the in-house research team to provide research views to the investors community through the media</li> <li>To ensure relevant information of the Company are properly disseminated to allow the public to understand the Company</li> <li>To clarify any questions the media may have pertaining to events related to the Company</li> </ul>

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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
 <p><b>Shareholders / Investors / Analysts</b> [Indirect &amp; External]</p>	<ul style="list-style-type: none"> <li>• <b>Timely announcements filed with SGX</b></li> <li>• <b>Investor Relations website (regular and relevant updates)</b></li> <li>• <b>Results briefings for Investors and Analysts</b></li> <li>• <b>Annual General Meetings</b></li> <li>• <b>Email/Electronic communications</b></li> <li>• <b>Investor roadshows</b></li> </ul>	<ul style="list-style-type: none"> <li>• To stay updated on the Company's financial results and business performance               <ul style="list-style-type: none"> <li>• Regular updates and post-results announcements</li> <li>• Unbiased and regular assessment on product providers and their products</li> </ul> </li> <li>• To have access to the Company's Investor Relations team or the Management to have their queries answered               <ul style="list-style-type: none"> <li>• Attending non-deal roadshows, retail seminars, institutional seminars</li> <li>• Webcast recordings on the IR website with the Management team presenting on the results</li> </ul> </li> <li>• Be aware of the investment professionals' view on the results and the performance of the Company               <ul style="list-style-type: none"> <li>• Disclose coverage by both brokers and non-brokers e.g. media, financial education portals</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To ensure timely disclosure of any substantial news and development which may affect share prices</li> <li>• To ensure proper filing of the financial results and to keep the interested parties informed</li> <li>• To ensure investors can connect to us easily via our corporate website, e.g. emailing to us, calling us, subscribing to our announcements etc.</li> <li>• To provide sufficient commentary as to the Company's performance and future plans</li> </ul>
 <p><b>NGOs / CSR partners / Communities</b> [Indirect &amp; External]</p>	<ul style="list-style-type: none"> <li>• <b>Spontaneous communications</b></li> </ul>	<ul style="list-style-type: none"> <li>• To be able to receive monetary, organisational and/or other forms of support for their organisation/programmes               <ul style="list-style-type: none"> <li>• The Company's participation in CSR/charity related events, e.g. iWALK events, Student Care Services events, Metro Race</li> <li>• Enable customers and partners to be able to give back to the society (reward points donation scheme, iWALK initiatives)</li> </ul> </li> <li>• Promoting financial literacy               <ul style="list-style-type: none"> <li>• Hold events or send speakers to events targeted at the general public and investment community (e.g. seminars, investment expos and etc.)</li> <li>• Providing research articles on the website</li> <li>• Answering news journalists' queries related to markets and financial planning and etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To give back to society in ways aligned to the Company's values and mission statement</li> <li>• To assist our customers in giving back to society with their investment gains</li> <li>• To leverage on the expertise of the in-house research team to provide research views to the investors community</li> </ul>



# ESG RISKS & OPPORTUNITIES

The Board of Directors and the Senior Management of iFAST Corp are committed to regularly identify possible risks (both ESG and non-ESG related) that may adversely affect the Company's business operations, and has set in place various measures to monitor and manage the identified 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 embrace new business opportunities that may arise as a result.

As the old adage goes, with risks come opportunities – the Company has also identified corresponding opportunities that are related to the identified ESG issues.

## 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' interest 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. The MRC is chaired by our Group COO Mr Wong Soon Shyan, who also assumes the Chief Risk Officer ("CRO") role. Further details of these two committees will be covered in the Corporate Governance Report.

The Company will evaluate the degree and extent of impact for each risk factor identified, and to determine if the sustainability 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.

## ESG RISKS & OPPORTUNITIES
















Based on the Company's assessment of the prevailing and emerging trends brought about by changes in relation to the socio-economy, environment and corporate governance, we have identified the following risks and their impact, and we will also be touching on the various initiatives and policies that are already in place to keep the risks under control.

Other than that, we have also identified the corresponding ESG opportunities, which may eventually become significant enough to support the sustainability of the Company:

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## ESG RISKS & OPPORTUNITIES

<div>  <div>RISKS</div> </div> <div>  <div>MANAGEMENT</div> </div> <div>  <div>OPPORTUNITIES</div> </div>	REGULATION	TECHNOLOGY	ECONOMIC/MARKET	OTHERS
	 <div>Regulatory Risks</div>	 <div>Technological Risks</div>	 <div>Economic/Market Related risks</div>	 <div>Human Resource Risks</div>
	<ul style="list-style-type: none"> <li>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</li> <li>Changes in regulations may impact product and service providers, and in turn disrupt the products and services offered by the Company</li> </ul>	<ul style="list-style-type: none"> <li>Breaches in IT system and cybersecurity issues may bring about impact and/or economic loss to our stakeholders</li> <li>Lagging behind in terms of technological developments and unable to keep up with the latest technological advances</li> <li>Procedural lapses or oversight in operational processes resulting in transactional or other errors</li> </ul>	<ul style="list-style-type: none"> <li>Unfavourable economic conditions and market movements may directly impact the Company's financial performance and its ability to continue with current sustainability initiatives</li> <li>Adverse economic or market events that may affect business operations of partners, counterparties and product providers, or dampen investors' sentiments and risk appetite</li> </ul>	<ul style="list-style-type: none"> <li>Failure in talent acquisition and retention as well as succession planning may lead to lapses in business operations and the execution of business strategies</li> <li>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</li> </ul>
	 <div>Regulatory Management</div>	 <div>Technological Management</div>	 <div>Economic/Market Related Management</div>	 <div>Human Resource Management</div>
	<ul style="list-style-type: none"> <li>Regular compliance checks and audits; proper supervision and stringent approval processes to flag out non-compliance incidents</li> <li>Set in place proper work process and documentation requirements</li> <li>Regular and ad-hoc training sessions for work processes</li> <li>Provide high level of disclosure and transparency for aspects such as fee structure, product features, investment advisory, company and financial disclosure, and etc.</li> <li>Ensure timely response to regulatory issues</li> <li>Identify possible areas of conflict of interests and subject them to stricter regulatory checks</li> </ul>	<ul style="list-style-type: none"> <li>Effective monitoring and assessment processes for cybersecurity and other IT related work processes</li> <li>Effective service recovery and rectification processes</li> <li>Regular checks on IT infrastructure</li> <li>Regular IT security training for employees</li> <li>Cybersecurity and data security measures to protect customers' accounts and assets</li> <li>Keep abreast of the latest IT developments and trends which may disrupt business operations, or can be leveraged on to improve our platform capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Diversification of product and service offerings to prevent over-reliance on a particular product/service</li> <li>Provide research content and advisory services to assist investors</li> <li>Have processes in place to safeguard customers' interests in adverse market conditions impacting partners, counterparties and product providers</li> <li>Proper approval processes and due diligence</li> </ul>	<ul style="list-style-type: none"> <li>Schemes and programmes to duly reward, motivate and retain high performing employees</li> <li>Regular reviews and screenings to detect risk-taking activities</li> <li>Proper training and documentation of work process to ensure smooth handover of duties</li> <li>Proper whistle-blowing procedures to flag out suspicious activities or incidents</li> <li>Constant reminders in communications to employees to highlight the importance of integrity, ethics and fair dealing</li> </ul>
	 <div>Regulatory Changes</div>	 <div>Technological Opportunities</div>	 <div>Economic/Market Related Opportunities</div>	 <div>Human Resource Opportunities</div>
	<ul style="list-style-type: none"> <li>When regulators enforces a higher level of transparency for industry players, our pro-transparency platforms will stand to benefit</li> <li>Enhanced regulations for investment products may provide greater confidence for investors, and in turn benefit the Company</li> </ul>	<ul style="list-style-type: none"> <li>Rapid development of Fintech and consumers' awareness of its benefits may lead to higher interest in the Company's Fintech solutions and online platforms</li> <li>Advanced technological developments may be adopted to further enhance our platform capabilities to create more value to our customers</li> </ul>	<ul style="list-style-type: none"> <li>Favourable economic conditions may lead to better performing products which will benefit stakeholders</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Workplace diversity may bring about a wider variety of experiences, perspectives and unique propositions to further grow the Company</li> </ul>
				<div>Sustainability Opportunities</div> <ul style="list-style-type: none"> <li>With greater awareness of sustainability investing, investors may be more interested in sustainability-focused products or companies</li> </ul>
GOVERNANCE		SOCIAL/ECONOMIC		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 is supported by the Corporate Communications department, with the Company's COO and CFO from the Senior Management team providing the necessary guidance, and representatives from the various departments who have been 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, concerns as well as the relevant data for tracking, before considering the significance and the extent of the ESG impacts, and to determine if the prevailing sustainability practices are sufficient, or if a review is necessary. Subsequently, the Senior Management and the Board will validate the presented material ESG factors, and provide relevant advice and guidance to improve current practices.

The taskforce intends to review the material topics on a regular basis. Aspects such as current and/or emerging trends that may impact the Company's sustainability stand, stakeholders' feedback, relevant supporting data and future business strategies will be deliberated on, before reaching a decision to revise the list of material ESG factors that the Company should be focusing on.

For this inaugural sustainability report, the taskforce first conducted an assessment exercise on the material issues faced by our Singapore operations, where various departments were surveyed to identify and pinpoint the ESG material issues faced by each department and their main stakeholders. Follow-up discussions were then carried out to understand the current policies in place to address the identified issues. Following this exercise, the material ESG issues faced by the various departments were further evaluated and reviewed to assess their impact on the overall Company. Subsequently, the results were reviewed by members from the Senior Management team and presented to the Board of Directors, where the ESG material issues to be focused on for this reporting exercise were eventually established.

While quantifiable targets for the next reporting period in FY2018 are not set out in this Sustainability Report, the Company has plans to start tracking the relevant data compiled from FY2017 onwards, where they will form the basis to establish qualitative targets in the next reporting period. In the upcoming years, with this foundation laid in FY2017 to kickstart the Company's sustainability framework, the Company will have a clearer picture when setting quantifiable targets that are achievable and realistic for each of the material ESG factors.

# ESG MATERIALITY ASSESSMENT

## MATERIALITY MATRIX



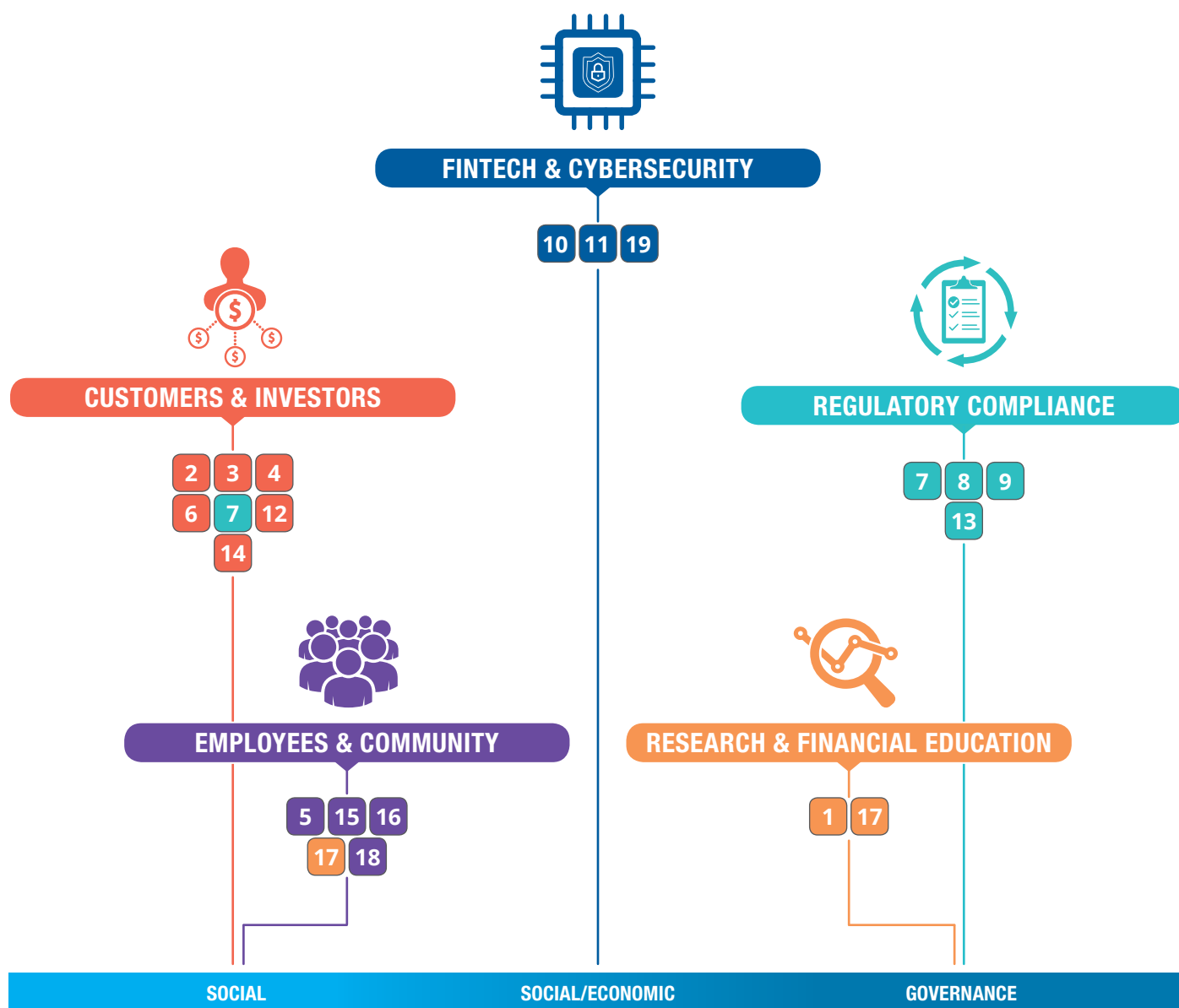
The following Materiality Matrix shows the degree of impact of the ESG material issues on the Company's business, as compared to the level of importance to their respective stakeholders.



MATERIAL ESG ISSUES		STAKEHOLDER(S)
Content Accuracy & Timeliness	1	
Products Due Diligence	2	
Investment Advisory	3	
Responsible & Transparent Product Marketing	4	
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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.

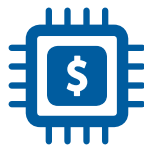
Due to the aforementioned business nature of the Company, aspects related to the Environment within the scope of the standard ESG sustainability issues do not rank highly in terms of materiality to the Company, as the core business and operations of the Company do not directly impact the environment. 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. 59-60.

# 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 “Financial Technology” player. From the early days of our operation, our Management team has emphasised the development of our own Information Technology (“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.

In 2000, the Management team of iFAST Corp leveraged on the up-and-coming Internet trends to bring the unit trust transactional process online. Since then, while standing by the various beliefs that were initiated since the early days, including pricing transparency and independent research, our emphasis on technological innovation, robust IT systems, as well as a user-friendly interface, have laid a strong foundation for subsequent iFAST’s growth and developments. Our various platforms have been designed to make it easier for DIY investors as well as financial advisers and their respective clients to have smooth access to their investments online. Other than the convenience of transacting online, various investment tools have also been devised to present investors with the crucial information that they need to make informed decisions, e.g. charting tools that allow graphical representations of the performance of investment products.

Alongside our endeavours to develop the business, various initiatives were also taken to ensure that the technologies adopted within the Company remain current and well-equipped for future sustainable

growth, including improve ease of navigation, as well as to enhance the user experience and interface for both our B2C and B2B clients. This allowed us to remain competitive in a fast-changing industry.

### FSMONE – SEAMLESS TRANSACTIONS ACROSS MULTIPLE PRODUCTS

For well over a decade, iFAST Corp was predominantly a unit trust investment platform. In recent years, the Group has been focusing on broadening the range and depth of investment products and asset classes such as bonds, ETFs, stocks, robo-advisory portfolios and insurance.

With the expansion of asset classes also came the challenge to further streamline the entire platform and the user experience.

The tagline “Many Ways to Invest, One Place To Do It” encapsulates the essence of the new FSMOne platform that was launched in Singapore in December 2016. Essentially, FSMOne is an enhanced FundsSupermart.com platform that is designed specifically to enable seamless transactions across different products.

In addition, true to our beliefs in providing retail DIY investors with the tools they need to make informed decisions, popular investment tools such as our Funds/Bonds Selector and Chart Centre have also been replicated for the newly-boarded product classes, including new functions such as Stock Screener and Stock Calculator, as well as comparison tools for insurance plans, and portfolio simulators.



The subsequent launch of FSMOne in Hong Kong in 2017 shows our continued efforts to bring our Fintech advancement to the other regions we operate in, as we strive to enhance our customer's investment experience through technology.

### **INCLUDING STOCKS AND BONDS IN OUR FINTECH SOLUTIONS IN 2017**

Hong Kong stockbroking business was brought on board our Hong Kong B2B platform and on FSMOne Singapore in 2016, before launching on FSM Hong Kong in April 2017. The game changer came, when trading capabilities in SGX listed stocks and ETFs were launched on FSMOne in Singapore in June 2017. Investors could trade stocks via a competitive pricing structure of 0.12% and 0.08% commission rates respectively (minimum of S\$10 per trade).

In December 2017, we launched trading capabilities in US-listed securities, including stocks and ETFs on FSMOne Singapore. The addition of US stock and ETFs on FSMOne brings the total number of ETFs being offered on FSMOne to over 2,000. 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 fee 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 on FSMOne, which has hitherto included over 1,200 funds, over 550 bonds, 10 FSM MAPS robo-advisory portfolios, and insurance products. All these products and services can be transacted with just one FSMOne account, bringing a more holistic wealth management solution at the convenience of our B2C customers, and providing mini-private bank capabilities to our B2B partners.

As we rolled out these new services, we have stated that the Group's focus is on being able to provide an integrated wealth management platform, while our long-term focus will be on enhancing our overall platform's AUA, rather than trying to maximise the commission income from short-term trading.

Other than stockbroking capabilities, in April 2017, we launched bonds trading capabilities on our Malaysia B2B and B2C platforms, allowing investors to buy and sell bonds online. The simultaneous launch of Bond Express also allowed sophisticated investors in Malaysia to enjoy immediate price discovery and transaction for a selected list of wholesale and retail bonds, and buy these bonds in small lot sizes, where the minimum investment amount is as low as RM10,000. Bond Express is a service that is already launched in Hong Kong and Singapore. Easier access to different asset classes also allows our investors to diversify their portfolio.

### **OUR ROBO-ADVISORY & MANAGED PORTFOLIOS - IT'S AUTOMATIC!**

Discretionary Portfolio Management Services ("DPMS"), also known as FSM MAPS on our Singapore B2C platform, is an all-in-one online investment advisory service that builds, monitors and rebalances portfolios on-behalf of clients. This service was launched to provide investors with a hassle-free solution to kickstart their investment in a portfolio of funds.

Leveraging on new technological solutions developed by our very own IT teams, Robo-advisory Managed Portfolios was introduced in Hong Kong, Singapore and Malaysia in 2015, 2016 and 2017 respectively. The DPMS service fills up an important gap in the market. Some investors find the investment world increasingly complex and are gripped by uncertainty on what to buy, when to sell, and how to rebalance their portfolio especially in times of market volatility.

The service is meant to automatically provide ready-made investment solutions to investors who want to invest without the stress.

In Singapore, the FSM MAPS robo-advisory service offered on our B2C platform, features ten portfolios catered for different investors based on their risk appetite and investment objectives, and for each risk profile, investors can choose between a growth and an income portfolio.

The DPMS service is also available on the B2B platform in Hong Kong, Singapore and Malaysia.

### **ITP: ENCOURAGING INNOVATION; RETAINING IT TALENTS**

The above innovative initiatives would not have been possible without our in-house IT teams and their strong IT capabilities.

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 the need to go through third-party vendors, which can be costly.

To ensure we can provide our IT developers with the incentive to continue innovating and taking up exciting projects, we have in place a 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 FY2017, across the Group, we have 8 ITPs, representing 17.4% of the total work force of the Company. Inclusive of the other IT related teams in charge of IT Infrastructure and Applications, 25.4% of the work force in iFAST Corp are involved in IT in FY2017, an indication of the high level of commitment the Company has for maintaining our competitive edge in terms of technological innovation.

# FINTECH & CYBERSECURITY



## EMPOWERING FINANCIAL INSTITUTIONS & OTHERS WITH OUR PROPRIETARY TECHNOLOGY

The rapid changes and advancement in technology have impacted the financial industry, where technology progression in recent times led to the entry of new technology solution providers which combines financial services with innovative digital technology. These Fintech companies disrupted the way traditional financial companies operates.

As an early Fintech adopter, the Company has set up a new business division iFAST Fintech Solutions ("iFAST Fintech") that is targeted at advancing our partners' wealth management business by delivering Fintech solutions that can better suit their clients' needs, while combining business and industry insights with Fintech solutions created in-house to help propel their business forward.

iFAST Fintech offers five core services, including API, customised B2B2C solutions, white-label robo-advisory solutions, iFAST Touch and Bespoke Fintech Solution.

iFAST API provides client with access to a wide range of product data, research articles and transaction channels for different investment products. With the combination of industry-specific knowledge, cutting-edge technology and financial knowhow, iFAST customised B2B2C solutions assist client in starting their own DIY B2C business quickly and at a competitive cost. White-label robo-advisory solutions empowers our clients to launch their own robo-advisory solution in a shorter period of time, allowing them to focus on their business, without having to worry about the technology and other back-office issues. iFAST Touch's comprehensive 2FA security allows for a private, fast and easy login process, enabling users to skip the manual process of typing verification codes and reduce waiting time. While bespoke Fintech solutions can also be proposed to integrate with the clients' legacy systems.

## DISRUPTING WITH TRANSPARENCY: THE POWER OF ONLINE TOOLS AND INFORMATION

At iFAST Corp, we have 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 with our in-house proprietary technology capabilities as a strong foundation, we were able to create platforms where not only a competitive and transparent pricing structure was offered, we also emphasised easily assessable 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 simplified the search on the myriad of products available on our platform, and provided ways to compare the performance of the products against market indices.

iFAST Corp disrupted the bonds distribution scene with the introduction of BondsSupermart, a regional bond information portal, and our bonds trading capabilities on our B2B and B2C platforms. On our Singapore B2C FSMOne 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 (such as 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 were 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 Company. We understand the importance of adopting and integrating 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 pro-active stand when it comes to 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 resolution.

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 exists 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 Polices briefing to employees of the Company on an annual basis.

During 2017, 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 with employees examples of good computing practices, and how to remain vigilant to avoid social engineering, phishing attacks and cyber extortion.

### 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 institution.

# FINTECH & CYBERSECURITY

## SECURE LOGIN – FROM ONEKEY TO SMS TO BIOMETRICS

iFAST Corp is committed to dedicate ongoing efforts to safeguard investor data and improve the security features of our websites across the various platform, 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 account 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 in Singapore, the biometrics 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 frequently used secure login method after SMS OTP.

## 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 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.





# 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 has 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

As mentioned in our previous sections, with our mission statement "To help investors around the world invest globally and profitably" in mind, we believe in empowering investors with financial knowledge and information transparency, and to provide them with sufficient tools to make informed decisions. For this reason, we have adopted various initiatives to bring research and content to our customers, employees and the broader investor community.

Our traditional focus has been to openly make available research and content to all retail investors when they access our online platforms or mobile application, regular updates on the various investment products, portfolio construction, market outlook, and webcast interviews with fund managers.

Even as new products and services are brought on board our B2B and B2C portals, this 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 regular research to further equip them with the necessary products and markets information and updates when formulating their advise to their end-clients.

Over the past few years, we have also taken the initiative in trying to level the playing field between institutional investors and individual investors in the bonds distribution space, where our team of bond research analysts has regularly provided updates on the global fixed income market, as well as publish articles that help both novice and savvy investors to better understand this product category, which in the past was mostly accessible to just institutional investors.

### CREATING SYNERGY WITH OUR REGIONAL RESEARCH TEAMS

iFAST Corp 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 20 research analysts based across Singapore, Hong Kong, Malaysia, China and India, each bringing in their expertise in the local and regional markets, as well as their speciality knowledge of the products we offer. The Company believes this will provide investors with insights from a diverse perspective.

The regional Research teams also enjoy a strong synergy, where applicable research content are shared across the various markets we are in, providing investors based in other markets with the insights written by local analysts.

### 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 market analysis and coverage (usually equities or bonds markets), financial market updates, products analysis (funds, bonds, ETFs, stocks and SGS bonds), investment ideas, to introducing investment concepts and trends.

Over the course of compiling data for research articles, the team uses 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.

# RESEARCH & FINANCIAL EDUCATION

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 information will enable them to better plan for their investments on a timely basis.

As such, the Research team provides weekly equity market and bond market updates to provide a recap of the major economic happenings around the world, as well as the performance of the various equities and bond markets under our coverage over the past week.

In 2017, more than 300 research articles were published, and more than half of these articles were published on a weekly basis, including our Markets Weekly, Bond Market Monitor, Valuations, Bond & Commodities Tracker and Idea of the Week 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 whole regional research team 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 robo-advisory portfolio services, monthly updates of the portfolios and commentaries are also provided by the portfolio manager, where investors will be able to track the performance of their portfolios, and 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 contributed to monthly columns on The Business Times and Lianhe Zaobao, where our Associate Director of Research and Portfolio Management as well as our Research Manager engage readers regularly with our in-house research views.

In FY2017, our Research team's comments were featured in more than 40 articles published on The Straits Times, The Business Times, Lianhe Zaobao, Bloomberg and Reuters. Our analysts were also featured on live studio and recorded interviews on ChannelNewsAsia, and participated in radio interviews on 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 targeting 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 houses partners. During such events, investors can also interact with the investment professionals and get the answers to their investment queries. In 2017, over 2,000 investors attended our WAWTI events in Singapore, Hong Kong, and Kuala Lumpur and Penang in Malaysia.

In Singapore, close to 800 participants took part in our “What and Where to Invest 2017”, 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.

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 2017, a total of more than 50 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.

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 FSM MAPS robo-advisory portfolio and stocks products in Singapore, bonds workshops in Malaysia, and online DPMS workshops in Hong Kong. We have also tapped on the Internet live-streaming technology to reach out to more investors. We have held close to 20 webinars throughout the year on FSM HK, 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, with the launch of FSMOne stock trading platform in Singapore, we had a few workshops to introduce the features on the new platform, to guide our investors through the brand new interface for a seamless trading experience.

### COLLABORATIONS WITH INDUSTRY PARTNERS

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

In 2017, the Company participated in “Invest Fair 2017” organised by ShareInvestor, a financial Internet media and technology company, and a subsidiary of SPH. Held since 2007, this annual flagship event of ShareInvestor is aimed at enhancing the level of financial literacy in Singapore. Our portfolio manager and research analysts were invited to give presentations and participated in panel discussions, and topics covered include “Investing in Every Stage of Your Life”, “Opportunities on Your Investment Journey” and “How Not to Lose Money in The Bond Market”.

We have also collaborated with SGX on various initiatives to promote financial literacy. One such event was a Chinese seminar targeted at retail customers, where SGX Academy professional trainer, Mr Wong Kon How, was invited to conduct a Chinese Seminar titled “Investing In a Rising Interest Rate Environment (如何在上升利率环境中取胜)” in July 2017, to share with investors on the variables guiding the increasing interest rate, how rising interest rates affect our investment strategies and how to invest in Stocks/ETFs in a rising interest rate environment.

Additionally, our B2C platform FSMOne collaborated with ChannelNewsAsia as the Official Investment Partner for Money Mind Challenge 2017, where our Senior Analyst, You Weiren, was invited to be on the panel of judges and he was also a mentor to the contestants. His involvement in the Money Mind Challenge 2017 is his way of expressing his firm belief in “paying it forward” to others through his investment knowledge, which is also closely in line with the Company’s dedication towards promoting financial literacy.

As the Official Investment Partner of the Money Mind Challenge, FSM Singapore’s portfolio manager and research analysts also contributed on various topics and the latest global financial markets news to readers and viewers.

For our overseas markets, in Malaysia, following our FSM team’s collaboration with Financial Planning Association of Malaysia (“FPAM”) to organise a workshop titled “Financial Empowerment – Time to Take Charge, Ladies!” in 2015, two similar workshops including “How Women Can Be Successful In Managing Their Finances” were held in 2016. In May 2017, we continued the tradition and invited experienced female professionals to talk about investment and how to get started, as well as cancer awareness at the event “Ladies, Let’s Talk Investments And Your Health!”.

# RESEARCH & FINANCIAL EDUCATION



## 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 2017, we invited speakers from our MAPS Portfolio Management and Stocks team to share tips on investing in these new products and services launched on our platform, providing our employees with insights on how to make their next investment decision a little easier as well as the basics of stocks investment and navigating through the new stocks trading platform. In addition, a sharing session on how to enjoy tax-free investment gain through SRS eligible fund was held towards the end of the year.

A similar initiative iFAST Investment Academy Program was also launched in Malaysia in 2017, and the first sharing session on “Saving vs Investing, Build your wealth” conducted by the General Manager of FSM Malaysia in August 2017 was well-received by our employees. 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 make the first step, or to help more seasoned staff in achieving their financial goals a little more easily.

# 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.



## TRANSPARENT PLATFORM AND RESPONSIBLE MARKETING

The Company believes that for an investor to be able to truly benefit from their investments, other than providing them with a transparent platform with a clear fee structure and no hidden fees, investment products that they are able to access through our platforms have to be transparent, simple in structure, and not opaque. Therefore, the Company has set in place various measures to ensure that the products that we carry do not go against the interests of our customers.

### 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 disadvantaged.

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 FY2017, in the annual Product Provider Due Diligence exercise, more than 60 product providers on board our platforms were surveyed and there were no major issues discovered.

### ACCURATE AND NON-MISLEADING MARKETING MATERIAL

All marketing material, defined as material 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.



# CUSTOMERS & INVESTORS

The Company has also set out clear guidelines for marketing material 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.

## 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.

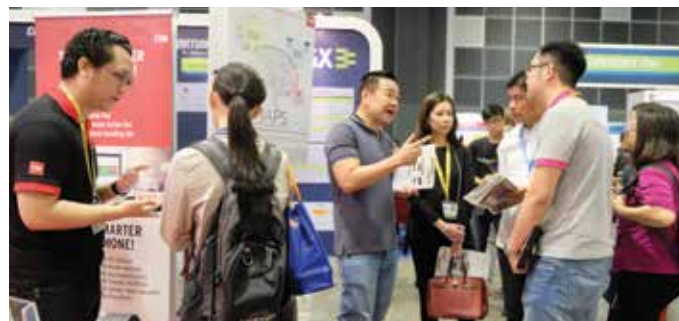
In Singapore, the Investment Advisory department was inceptioned in 2011 in response to the Customer Knowledge Assessment ("CKA") and Customer Account Review ("CAR") regulations that went into effect in 2012. As stipulated by the regulations, investors who have failed their CKA/CAR (based on criteria 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 in 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 to 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.

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 basis for each risk profile's asset allocation and weightage based on their outlook, further aligning the synergy between our Research and IA teams.



## TRANSPARENT INSURANCE PLATFORM

Transparency can sometimes be uncommon for certain products, which has 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. Other than Singapore, insurance products are also offered on FSM 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 carried a suite of content articles to create awareness of the various aspects that customers should be mindful of when purchasing insurance products, as well as the important factors to consider when getting 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 account, 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 to us, they are also able to contact us via our Customer Service department email, or to use the Live Chat services on our websites. Other than that, our B2C customers can also utilise a new "Feedback" function built in the FSMOne website to do a screen capture of the issues that they are facing, and provide feedback or to 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.

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 times 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 FY2017, our Customer Service team has largely managed to keep within the internally set abandoned call rates and email response time. The Company is committed to continuously improve on our responses to our customers, and to undertake measures to be better equipped to provide better customer service to all our end-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 complains as opportunities for us to finetune and enhance our services, and this leads us to continue to track and follow-up such cases and incidents closely and diligently.

# CUSTOMERS & INVESTORS



## ENGAGING INVESTORS AND SHAREHOLDERS

As a strong advocate of transparency, and our positioning as a pro-transparency investment platform, the Company 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 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.

### 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 AGM (Annual General Meeting) and EGM (Extraordinary General Meeting), members of our Management team have been conducting results briefing to

analysts and institutional investors since 2015. In FY2017, two such briefings were held in February and July, after the announcement of the Company's FY2016 and 1H2017 results. 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](http://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 local and overseas), conference calls, investor luncheons, roadshows and conferences. In FY2017, the Company took part in five Investor Relations group events and non-deal roadshows, and has met up with more than 100 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

iFAST Corporation Ltd. has emerged runner-up in the IR Magazine Awards South East Asia 2017" in the "Best in Sector - Information Technology" category.

Organised by IR Magazine, the region-specific awards has been honouring excellence and best practice in the Investor Relations profession for over 25 years, and over a hundred listed companies from various South East Asian countries were nominated for the awards in 2017.





The “Best in Sector” series of awards that the Company won is part of the researched category, where all publicly listed companies are eligible for consideration. The award winners and nominees are identified by the investment community, including buy-side and sell-side analysts and portfolio managers, who will be nominating and ranking up to five companies for the various categories. Companies with the highest point scores in each category will receive the respective award nominations, and the “Best in Sector” award is determined by the highest aggregate scores across all research categories. (Source: IR Magazine website)

The Company edged out competition from the other IT companies in Indonesia and Thailand, and was placed second place after a fellow established IT company from Singapore, Ventures Corporation Ltd.

Previously, iFAST Corp had picked up “Best Investor Relations - Merit Award” in the Singapore Corporate Awards 2015 under the Newly Listed Companies Company.

### SGTI – RANKED WITHIN THE TOP 15%

In both 2016 and 2017, iFAST Corp ranked in the top 15% out of 631 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.

# 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 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 2017 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, while continuously motivating them to achieve greater heights. When it comes to engaging the Community in ways other than providing financial education or research content, iFAST Corp took a slightly more different approach to support charitable causes, one which involves our own employees lending their hands to the less-well-off in the community, and at the same time challenge themselves physically and mentally.



## EMPLOYEES

The Company recognises 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.

### 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 2017, iFAST Corp has more than 560 employees across the markets that we operate in. The Company employed 164 employees for our Singapore operations, and we have a gender diverse workforce, with an almost-balanced gender ratio (55.5% female vs 44.5% male).

In terms of age group, 46.3% of the Singapore employees fall within the 20-30 age group, and 40.85% is between the age of 31 to 40, while 12.8% of the Singapore workforce is in the 41 and above age category.

Nationality wise, Singaporeans and Permanent Residents make up the highest proportion of our workforce at 86.59%, a display of our commitment to work with our local pool of talents within the Finance and Technology industry.

In FY2017, the employee turnover ratio in Singapore is 19.18%.

The Company has established and will continue to adopt an equal employment opportunity policy. The Company is committed to comply with all applicable government safety, health and environmental regulations and establish 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 complaint 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 ensure all salaries and benefits compensation 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.

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 Company. With this Plan, we hope to motivate our employees to optimise their performance standards and efficiency, and to instil 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 to both kickstart their investments, and to maintain and grow their investment portfolio for themselves or for their family.

Employees are eligible for staff discount 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, 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 the Company's belief in the business and to encourage employees to begin their regular investment journey, whereby the Company co-invests alongside with the employee, providing them with a loss buffer to help them make the first step, or provide 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.

### EMPLOYEE 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 employee to take up external courses which both benefits the employee 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 value add 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.

Going forward, the Company has plans to look into tracking the hours of training per year per employee.

### 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 completed the MSIG Action Asia Taiwan 50km in November 2017, and has plans to complete other endurance races in 2018. 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 for our employees. These updates are communicated in newsletters and corporate presentations for 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 held shortly 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 served as an opportunity for employees from different departments to get together.

In FY2017, six issues of iFAST Vibes were sent out to all employees throughout the Group: Four corporate updates were held in Singapore, and two sessions were each held in Hong Kong and Malaysia, and one in Shenzhen, China.

### ORIENTATION PROGRAMMES

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

Other than the Human Resources team touching on HR issues that will be 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 FY2017, four sessions of orientation programmes were held in Singapore, while two were held in Malaysia, and one in Hong Kong.

# EMPLOYEES & COMMUNITY



## 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 marry sports with charity initiatives. 2017 marks our fourth year as the title sponsor 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. Combining sports (teams of four members have to score the highest points within a time limit of two hours by clearing as many checkpoints as possible), as well as strategy and financial education (some checkpoints give bonus points based on investment-related questions), the IMR was first held in 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.

The 2017 edition of the IMR was held in partnership with Hong Kong Orienteering Association, with the aim to raise fund for volunteer activities under Home Market, a pioneering poverty alleviation program which includes a chain of non-profit convenience stores that retail food and daily necessities to underprivileged people at bargain prices. Their beneficiaries include the elderly, the disabled, low-income families, residents under the Comprehensive Social Security Assistance Scheme, new immigrants and ethnic minorities.

In 2017, over 160 teams consisting of more than 480 participants took part in the IMR, in which 22 teams of 66 participants represented iFAST Corp. 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.

### STUDENTS CARE SERVICE CHARITY RACE: CHALLENGE FOR CHILDREN 2017

In March 2017, iFAST Corp collaborated with Students Care Service (“SCS”) for the second time in their annual charity race - “Challenge for Children 2017”, which was held in conjunction with iLight Marina Bay 2017. Though not entirely a sporting event, the race saw 13 teams of 134 participants run or brisk walk around Marina Bay as they competed in a series of fun and exciting games.

These games not only challenged the participants’ physical and mental limits, but also reminded them of important values, which were put across by SCS students before the start of each game, making it even more meaningful. Under the guidance of our staff volunteers, SCS students took on the role as game masters, which gave them the opportunity to build up self-confidence when interacting with adults, learn how to handle unforeseen challenges and to carry themselves in a positive manner.

The Company also invited our fund house partners and financial advisers to join us in raising funds for students supported by



SCS, the beneficiary organisation of the event, which aims to raise funds to support the care and development of about 6,500 students that SCS reaches out to annually.

Other than a group of enthusiastic employees who volunteered their time to help out during the event, we also have quite a number of supportive employees and families who formed teams to join us in the fun and meaningful event, including our CEO and Directors.

### **iWALK: iFAST WEALTH ADVISERS LEAD KINDNESS INITIATIVE**

In 2017 iFAST Corp started iWALK (iFAST Wealth Advisers Lead Kindness Initiative), an industry initiative seeking 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.

Come May 2018, iFAST Corp will be sending 17 teams consisting of 68 walkers to participate in this year’s event, and our iWALKers

will be stepping up the challenge to take on the 100km trek in 38 hours – 10 hours shorter than previous trailwalks.

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.

The iWALK contingent will be led by iFAST Corp’s CEO and Chairman, Mr Lim Chung Chun, who have led by example and participated in the past few iFAST contingent of Trailwalkers since 2011.

### **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, FSM 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 2017, FSM 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.



## **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 has 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 day-to-day operations.

# REGULATORY COMPLIANCE



iFAST Corp is committed to build a strong compliance culture and adhere to all applicable laws and regulations within the jurisdictions in which we operate in. With the introduction of new products, trends and technology 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. iFAST is committed to step up our efforts to ensure the Company's growth can be sustained for the long term.



## REGULATORY COMPLIANCE

### COMPLIANCE TEAM

As part of iFAST Corp's effort to manage our businesses in compliance to the highest standards of both regulatory and licensing requirements, the Company has a Compliance team in each of our offices in Singapore, Hong Kong, Malaysia, China and India, 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, and 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 to take charge of the licensing and appointment of representatives as well as regulatory reporting.

### COMPREHENSIVE COMPLIANCE TRAINING

Training is a key component in iFAST's Compliance framework, and we are constantly working to strengthen our compliance training programme for all staff.

Compliance employees are required to take and pass the Capital Markets and Financial Advisory Services Module 5 (Regulations). In addition, the Company also sends our Compliance employees for the Advanced Certificate/Diploma in Governance, Risk and Compliance programme conducted by the International Compliance Association ("ICA"). The Company encourages our Compliance employees 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. Thereafter, all staff are required to complete an online refresher course each year. All employees are required to achieve a score of at least 80% to be considered as having passed the online assessment and met the training requirements.



In view of the strict compliance rules in the financial industry, we offer annual trainings on our Company's advisory policies and procedures for employees providing financial advisory services. Topics covered include regulatory area 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 employees involved in operations and settlement to keep them aware and up-to-date on the regulatory requirements relating to their functions.

### 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, Tech Risk department and 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 Tech 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, assesses the risk of new and existing products and services, including risks related to operations, regulatory, compliance, services and processes.

### ETHICS AND FAIR DEALING

iFAST Corp 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.

Fair dealing is central to iFAST Corp, our Senior Management and our Board of Directors. They are committed to aligning the direction of iFAST Corp 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 also reports on the checks done on various initiatives. These checks help to assess and ascertain the initiatives identified in the reports have not lapsed and remain effective.

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, in FY2017, there has been no incident of Fair Dealing misconduct being identified (ie. 0%).

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.

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

At iFAST Corp, we are committed to ensure 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.

On the back of our businesses, products and customer profile, 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 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. The Company also leveraged on technology to manage a number of our controls and monitoring processes, so as to reduce human errors, as well as improve the efficiency, frequency and thus overall effectiveness of our AML/CFT efforts.

The Company remains committed to review the measures in place annually to remain relevant and up-to-date, to ensure the various measures are effective and able to identify and flag out money laundering and terrorist financing activities. Both the Compliance Department and the Senior Management teams 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. All new staff are required to undergo a compliance training, with AML/CFT as one of the key topics, and will have to pass an online assessment thereafter. All staff are also required to complete the training programme and online assessment every year. This is done to keep our staff up-to-date on the Company's AML/CFT policies, and served as a reminder to all staff about their roles and responsibilities on AML/CFT related issues. The Company requires all employees to complete the training (ie. 100% completion).

# REGULATORY COMPLIANCE



## STAFF TRADING POLICY

The Company has comprehensive policies in place governing personal trading of listed securities to ensure our employee's personal investments are lawful and free from conflicts of interest. Under the policy, all iFAST employees in Singapore are required to only trade through FSMOne 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

The Personal Data Protection Act ("PDPA") covers personal data stored in electronic and non-electronic forms, 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"), who are aware of their responsibilities in ensuring the Company's compliance with PDPA in respect of the personal data in our possession or under the Company's control.

The roles of DPOs may include developing policies for handling personal data in electronic and non-electronic forms, communicating internal personal data policies to customers and to handle any queries or complaints. The DPO also engages all employees to communicate the data protection policies and their role in safeguarding our customer's personal data and to understand the internal processes in place to protect personal data. The DPOs are also in charge to conduct 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 data protection is conducted together with our regular AML/CFT and Fair Dealing training for all employees, who will be provided with the training materials and required to pass a quiz.

Going forward, the Company has plans to step up the efforts taken to ensure principles of PDPA are properly adhered to.

# GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES			
GRI Standards	Disclosure	Disclosure Title	Page Reference & Remarks
GRI 102: <b>General Disclosure (Organisational profile)</b>	102-1	Name of the organisation	Corporate Profile & Business Model (Pg. 2)
	102-2	Activities, brands, products, and services	Corporate Profile & Business Model (Pg. 2); Corporate Organisation (Pg. 11)
	102-3	Location of headquarters	Corporate Profile & Business Model (Pg. 2)
	102-4	Location of operations	Corporate Organisation (Pg. 11)
	102-5	Ownership and legal form	Corporate Organisation (Pg. 11)
	102-6	Markets served	Corporate Organisation (Pg. 11)
	102-7	Scale of the organisation	Corporate Organisation (Pg. 11); Corporate Governance Report (Pg. 61);
	102-8	Information on employees and other workers	ESG@iFAST: Employees & Community (Pg. 52)
	102-9	Supply chain	Business Model (Pg. 3); Stakeholders@iFAST (Pg. 30)
	102-10	Significant changes to the organisation and its supply chain	2017 In Perspective (Pg. 16); 2017 Financial Highlights & Review (Pg. 22)
	102-11	Precautionary Principle or approach	ESG Risks & Opportunities (Pg. 33);
	102-12	External initiatives	NIL
	102-13	Membership of associations	Corporate Organisation (Pg. 11)
GRI 102: <b>General Disclosure (Strategy)</b>	102-14	Statement from senior decision-maker	Chairman's Message (Pg. 4)
	102-15	Key impacts, risks, and opportunities	ESG Risks & Opportunities (Pg. 33)
GRI 102: <b>General Disclosure (Ethics and integrity)</b>	102-16	Values, principles, standards, and norms of behavior	Corporate Profile & Business Model (Pg. 2); Sustainability Statement & Overview (Pg. 28);
GRI 102: <b>General Disclosures (Governance)</b>	102-18	Governance structure	Board Of Directors & Senior Management (Pg. 6); Sustainability Statement & Overview (Pg. 28); Corporate Governance Report (Pg. 61);
GRI 102: <b>General Disclosures (Stakeholder Engagement)</b>	102-40	List of stakeholder groups	Stakeholders@iFAST (Pg. 30)
	102-41	Collective bargaining agreements	NIL
	102-42	Identifying and selecting stakeholders	Stakeholders@iFAST (Pg. 30)
	102-43	Approach to stakeholder engagement	Stakeholders@iFAST (Pg. 30)
	102-44	Key topics and concerns raised	Stakeholders@iFAST (Pg. 30)

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# GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES			
GRI Standards	Disclosure	Disclosure Title	Page Reference & Remarks
GRI 102: <b>General Disclosures (Reporting Practice)</b>	102-45	Entities included in the consolidated financial statements	Directors' Statement & Financial Statements (Pg. 77 - 152)
	102-46	Defining report content and topic Boundaries	Sustainability Statement & Overview (Pg. 28);
	102-47	List of material topics	Sustainability Statement & Overview (Pg. 28); ESG Materiality Assessment (Pg. 35)
	102-48	Restatements of information	NIL
	102-49	Changes in reporting	NIL
	102-50	Reporting period	Sustainability Statement & Overview (Pg. 28);
	102-51	Date of most recent report	AR2017 (first Sustainability Report)
	102-52	Reporting cycle	Annual; Sustainability Statement & Overview (Pg. 28);
	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 Statement & Overview (Pg. 28);
	102-55	GRI content index	GRI Context Index (Pg. 59)
	102-56	External assurance	No external assurance for FY2017
ECONOMIC			
GRI 201: <b>Economic Performance</b>	201-1	Direct economic value generated and distributed	Directors' Statement & Financial Statements (Pg. 77 - 152)
GRI 205: <b>Anti-Corruption</b>	205-2	Communication and training about anti-corruption policies and procedures	ESG@iFAST: Regulatory Compliance (Pg. 56)
SOCIAL			
GRI 401: <b>Employment</b>	401-1	New employee hires and employee turnover	ESG@iFAST: Employees & Community (Pg. 52)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3	Parental leave	
GRI 404: <b>Training and Education</b>	404-1	Average hours of training per year per employee	ESG@iFAST: Employees & Community (Pg. 52)
	404-2	Programs for upgrading employee skills and transition assistance programs	
GRI 405: <b>Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees	ESG@iFAST: Employees & Community (Pg. 52)
GRI 413: <b>Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	ESG@iFAST: Research & Financial Education (Pg. 43); Stakeholders@iFAST (Pg. 30)
GRI 417: <b>Marketing and Labeling</b>	417-1	Requirements for product and service information and labeling	ESG@iFAST: Research & Financial Education (Pg. 43); ESG@iFAST: Customers & Investors (Pg. 47)
GRI 418: <b>Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG@iFAST: Fintech & Cybersecurity (Pg. 38); ESG@iFAST: Regulatory Compliance (Pg. 56)

# 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 2017. 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 2017.

## 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 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 shareholder 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 2017.

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 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.

# CORPORATE GOVERNANCE REPORT

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. He has attended training conducted by the Singapore Institute of Directors. 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.

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 had taken their own initiatives and attended sessions organised by external organisations during the financial year 2017. 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 2017, 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	5	5	-	-	4	4	2	2	-	-
Yao Chih Matthias	5	4	4	4	4	4	-	-	2	2
Ling Peng Meng	5	5	-	-	4	4	-	-	2	2
Kok Chee Wai	5	5	4	4	-	-	2	2	2	2
Ng Loh Ken Peter	5	5	4	4	4	4	2	2	-	-
Lim Wee Kian	5	5	-	-	-	-	-	-	-	-
Low Huan Ping	5	5	-	-	4	4	-	-	-	-
Kelvin Yip Hok Yin <sup>(1)</sup>	5	5	-	-	-	-	-	-	-	-
Goh Bing Yuan <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-

Notes:

<sup>(1)</sup> Mr Kelvin Yip Hok Yin completed his term and ceased as a Director on 2 January 2018.

<sup>(2)</sup> Mr Goh Bing Yuan was appointed as a Director on 2 January 2018.

## PRINCIPLE 2: THE BOARD’S COMPOSITION AND GUIDANCE

The Board comprises two Executive Directors, four Independent Directors and two Non-Executive Non-Independent (“Non-Executive”) Directors during year 2017.

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. 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.



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. Mr Ling Peng Meng has served on the Board as Independent Director for more than 10 years since his appointment on 10 March 2006. A review of the performance of the Director concerned, Mr Ling Peng Meng, was conducted. The Board concurred with the NC that the Director concerned had participated, deliberated and expressed his views independently at all times. His involvement in deliberations present objective and constructive viewpoints. The Board concurred with the NC that Mr Ling Peng Meng's experiences and insights into the Group and its markets, especially his expertise in the China bond market, had benefited the Board greatly. The independence in character and judgement of the Director concerned was not in any way affected or impaired by the length of service. The Board affirmed that Mr Ling Peng Meng should remain an Independent Director of the Company and will continue to discharge his duties objectively. The Board concurred with the NC on the need for progressive refreshing of the Board, based on the requirement of the business.

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. 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 the Board did not set specific targets for woman participation on the Board, the Company will take positive steps and will be actively working towards gender diversity of the Board. The Board will include gender as one of the selection criteria of a Director, without compromise on qualifications, experience and capabilities, for new appointment to the Board. The final selection will be made in a fair and undiscriminating manner. The profile of each Board member is set out in the Board of Directors section in this Annual Report.

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 FY2017 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 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.

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 4: BOARD MEMBERSHIP

The Nominating Committee ("NC") comprises the following three members, the majority of whom are Independent Non-Executive Directors, including the Chairman:

Mr Kok Chee Wai (Chairman)  
Mr Lim Chung Chun (Member)  
Mr Ng Loh Ken Peter (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 Director. 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.

During the year, the NC reviewed and determined that Mr Yao Chih Matthias, Mr Ling Peng Meng, Mr Kok Chee Wai and Mr Ng Loh Ken Peter 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 Ling Peng Meng, Mr Low Huan Ping and Mr Goh Bing Yuan are due for retirement at the AGM, pursuant to the Company's Constitution. Mr Ling Peng Meng and Mr Low Huan Ping respectively, upon retiring at the forthcoming AGM, will not be seeking re-election. The NC will be seeking fresh appointment to the Board taking into account the principles above. The NC, having assessed the performance and contribution to the Board and the Company, recommended the re-election of Mr Goh Bing Yuan as a Director of the Company at the forthcoming AGM. The Board has concurred with the NC's recommendation. 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 2017.

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 has 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 2017 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	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	30 June 2005	10 April 2015	Non-Executive Director	Member of BRC	M1 Limited
Kelvin Yip Hok Yin <sup>(1)</sup>	1 January 2016	8 April 2016	Executive Director	None	None
Goh Bing Yuan <sup>(2)</sup>	2 January 2018	-	Executive Director	None	None

Notes:

<sup>(1)</sup> Mr Kelvin Yip Hok Yin completed his term and ceased as a Director on 2 January 2018.

<sup>(2)</sup> Mr Goh Bing Yuan was appointed to the Board on 2 January 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. External facilitator was not 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.

# CORPORATE GOVERNANCE REPORT

## 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 a year in advance. 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 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.

## 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 Ling Peng Meng (Member)

Mr Kok Chee Wai (Member)

All three RC members are Non-Executive and 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, Company and 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 2017.

## 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 11 April 2017 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. The framework for determining the fees paid to each Non-Executive Director and Independent Director for the financial year ended 31 December 2017 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 10 April 2017. The framework for determining the fee paid to each Independent Director for the financial year ended 31 December 2017 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 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 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 is 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 2017 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 granted by a subsidiary \$	Total \$
Lim Chung Chun	252,186	155,597	10,065	-	-	-	-	417,848
Yao Chih Matthias	-	-	-	72,000	6,000	24,668	-	102,668
Ling Peng Meng	-	-	-	48,000	6,000	16,445	-	70,445
Kok Chee Wai	-	-	-	59,000	6,000	20,235	-	85,235
Ng Loh Ken Peter	-	-	-	66,000	6,000	22,594	-	94,594
Lim Wee Kian	-	-	-	32,000	-	11,011	-	43,011
Low Huan Ping <sup>(1)</sup>	-	-	-	42,000	-	-	-	42,000
Kelvin Yip Hok Yin <sup>(2)</sup>	188,184	-	995	-	-	189,244	4,329	382,752

Notes:

<sup>(1)</sup> Mr Low Huan Ping's Directors' fee is paid to SPH AsiaOne Ltd.

<sup>(2)</sup> Mr Kelvin Yip Hok Yin completed his term and ceased as a Director on 2 January 2018.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Key Management Personnel

The remuneration of the Group's key management personnel (excluding Directors) for the financial year 2017, 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 %
<b>Between \$400,000 to \$499,999</b>						
Wong Soon Shyan	56.7	-	1.5	40.9	0.9	100.0
Lim Wee Kiong	54.6	-	1.1	44.3	-	100.0
<b>Between \$300,000 to \$399,999</b>						
Leung Fung Yat David	58.0	4.5	0.5	35.8	1.2	100.0
Dennis Tan Yik Kuan	59.9	7.5	8.3	24.3	-	100.0
Goh Bing Yuan	59.1	7.9	1.5	31.5	-	100.0

The Company's key management personnel 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 2017 was \$1,856,501. For financial year 2017, there were no termination, retirement and post-employment benefits granted to the Directors and 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 2017, 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
Between \$250,000 to \$299,999	Current Position	Family relationship with Director or CEO
Tang Soo Kia, Cynthia	Executive Director of iFAST Financial (HK) Ltd, a subsidiary of the Company, effective from 9 June 2017	Spouse of Mr Kelvin Yip Hok Yin, 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 operate in.

The Board takes adequate steps to ensure 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 Lim Chung Chun (Member)  
 Mr Ling Peng Meng (Member)  
 Mr Ng Loh Ken Peter (Member)  
 Mr Low Huan Ping (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.

# CORPORATE GOVERNANCE REPORT

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

For the financial year ended 31 December 2017, 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 control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

The Board, with the concurrence of the BRC and AC, are of the opinion that our Group's internal controls addressing financial, operational, information technology and compliance risks and risk management systems, were adequate and effective. This opinion is 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 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, all of whom are Independent Directors:

Mr Ng Loh Ken Peter (Chairman)  
Mr Yao Chih Matthias (Member)  
Mr Kok Chee Wai (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.

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 2017 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 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 auditor 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.

# CORPORATE GOVERNANCE REPORT

## 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 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 AC is also satisfied that the IAD is staffed by suitably qualified and experienced personnel.

## 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](http://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 intends to hold regular analyst briefings and presentations within a financial year after the announcement of financial results. 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.

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.



As mentioned, the Directors had communicated its intention to recommend and distribute dividends of 60% or more of our net profit after tax (excluding our China operation and exceptional items) in 2017. The Directors had proposed a final dividend of 0.90 cents per ordinary share in 2017, subject to shareholders' approval at the AGM. If approved by shareholders at the AGM, the Group's dividend payout is 60.2% of the Group's net profit (excluding our China operation, and exceptional items) in 2017.

## PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

All shareholders of the Company will receive the Annual Report and notice of Annual General Meeting ("AGM"). 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. All resolutions are voted by poll in the presence of independent scrutineers and the detailed results were released to the public via SGXNET after the meeting. 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. Majority of the Directors have attended the AGM held on 11 April 2017. Senior Management, External Auditors and Internal Auditors 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.

During the financial year ended 31 December 2017, the following interested person transactions were entered into by the Group:

Name of interested person and nature of transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000)
<u>Transactions for Purchase of Services</u> ShareInvestor Pte Ltd <sup>(1)</sup>	\$115,560

Note:

<sup>(1)</sup> ShareInvestor Pte Ltd is a wholly-owned subsidiary of Singapore Press Holdings Ltd ("SPH"), and SPH is our controlling shareholder.

### Material Contracts

Save for the Service Agreement between the Chairman/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 2017.

# CORPORATE GOVERNANCE REPORT

## Use of IPO Proceeds

Pursuant to the IPO on 11 December 2014, the Company received net proceeds of \$48.0 million from the issuance of the new shares (including over-allotment shares), after deducting for share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million. The following table sets out our use of the net IPO proceeds up to 31 December 2017.

Use of net proceeds	Allocation of IPO proceeds	IPO proceeds utilised as at 31 December 2017	Balance of IPO proceeds
	\$' million	\$' million	\$' million
Mergers and acquisitions strategy	27.2	9.3	17.9
Expansion of our business in the Chinese market	7.0	6.8	0.2
Enhancement of our product capabilities, IT and services	8.0	8.0	-
Working capital purposes	5.8	5.8 <sup>(2)</sup>	-
Net Proceeds	48.0 <sup>(1)</sup>	29.9	18.1

Notes:

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 \$18.1 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' STATEMENTS & FINANCIAL STATEMENTS

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**iFAST**

iFAST CORPORATION LTD.  
AND ITS SUBSIDIARIES

Registration Number: 200007899C

## ANNUAL REPORT

Year ended 31 December 2017

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# DIRECTORS' STATEMENT

Year ended 31 December 2017

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 2017.

In our opinion:

- (a) the financial statements set out on pages 91 to 152 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 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

## DIRECTORS

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

Lim Chung Chun  
 Yao Chih Matthias  
 Ling Peng Meng  
 Kok Chee Wai  
 Ng Loh Ken Peter  
 Lim Wee Kian  
 Low Huan Ping  
 Kelvin Yip Hok Yin (Ceased on 2 January 2018)  
 Goh Bing Yuan (Appointed on 2 January 2018)

## DIRECTORS' INTEREST

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

Name of Director and corporation in which interests are held	Holdings in the name of Director			Holdings in which Director is deemed to have an interest			Note
	At beginning of the year	At end of the year	At 21 January 2018	At beginning of the year	At end of the year	At 21 January 2018	
<b>iFAST Corporation Ltd.</b>							
Lim Chung Chun	45,216,164	45,558,164	45,558,164	13,299,380	13,679,380	13,679,380	(1)
Yao Chih Matthias	93,000	–	–	–	218,300	218,300	(5)
Ling Peng Meng	–	–	–	10,753,580	10,877,080	10,877,080	(2)
Kok Chee Wai	1,288,428	1,288,428	1,288,428	–	124,400	124,400	(5)

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	At end of the year	At 21 January 2018	At beginning of the year	At end of the year	At 21 January 2018	Note
iFAST Corporation Ltd.							
Ng Loh Ken Peter	129,000	–	–	–	253,900	253,900	(5)
Lim Wee Kian	16,845,420	17,297,820	17,297,820	3,031,800	3,031,800	3,031,800	(3)
Low Huan Ping	951,594	1,051,594	1,051,594	–	3,100	3,100	(5)
Kelvin Yip Hok Yin	–	–	N.A.	565,980	588,880	N.A.	(4)
Goh Bing Yuan	N.A.	N.A.	543,152	N.A.	N.A.	35,700	(5)

N.A. - Not Applicable  
Notes

<sup>(1)</sup> Lim Chung Chun is deemed to have an interest in the Company's shares held by his spouse, Accretion Investments Pte. Ltd. and RHB Bank Nominees Pte. Ltd.

<sup>(2)</sup> Ling Peng Meng is deemed to have an interest in the Company's shares held by Citibank Nominees Singapore Pte. Ltd.

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

<sup>(4)</sup> Kelvin Yip Hok Yin is deemed to have an interest in the Company's shares held by his spouse and iFAST Financial Pte. Ltd. (Depository Agent)

<sup>(5)</sup> Yao Chih Matthias, Kok Chee Wai, Ng Loh Ken Peter, Low Huan Ping and Goh Bing Yuan are deemed to have an interest in the Company's shares held by iFAST Financial Pte. Ltd. (Depository Agent)

				Options to subscribe for ordinary shares held in the name of Director			Options to subscribe for ordinary shares in which Director is deemed to have an interest			
Name of Director and corporation in which interests are held	Date of grant	Expiration date	Exercise price per share	At beginning of the year	At end of the year	At 21 January 2018	At beginning of the year	At end of the year	At 21 January 2018	Note
iFAST Corporation Ltd.										
Lim Chung Chun	21 August 2014	20 August 2024	\$0.63	300,000	300,000	300,000	–	–	–	
Yao Chih Matthias	1 April 2014	31 March 2024	\$0.60	120,000	–	–	–	–	–	
Ling Peng Meng	1 April 2014	31 March 2024	\$0.60	120,000	–	–	–	–	–	
Kok Chee Wai	1 April 2014	31 March 2024	\$0.60	120,000	–	–	–	–	–	
Ng Loh Ken Peter	1 April 2014	31 March 2024	\$0.60	120,000	–	–	–	–	–	
Lim Wee Kian	1 April 2014	31 March 2024	\$0.60	120,000	120,000	120,000	–	–	–	
Kelvin Yip Hok Yin	1 July 2013	30 June 2023	\$0.42	126,000	126,000	N.A.	–	–	–	(1)
	1 April 2014	31 March 2024	\$0.60	60,000	60,000	N.A.	48,000	48,000	N.A.	(1)
Goh Bing Yuan	1 July 2013	30 June 2023	\$0.42	N.A.	N.A.	70,000	N.A.	N.A.	–	
	1 April 2014	31 March 2024	\$0.60	N.A.	N.A.	60,000	N.A.	N.A.	–	

**iFAST China Holdings Pte. Ltd. - subsidiary**

Kelvin Yip Hok Yin	1 April 2017	31 March 2027	\$0.31	–	94,100	N.A.	–	–	N.A.	
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N.A. - Not Applicable  
Note

<sup>(1)</sup> Kelvin Yip Hok Yin is deemed to have an interest in the Company's options held by his spouse.

# DIRECTORS' STATEMENT

Year ended 31 December 2017

			Performance shares held in the name of Director			Performance shares in which Director is deemed to have an interest			
Name of Director and corporation in which interests are held	Date of grant	Price per share	At beginning of the year	At end of the year	21 January 2018	At beginning of the year	At end of the year	21 January 2018	Note
<b>iFAST Corporation Ltd.</b>									
Lim Chung Chun	1 May 2016	\$1.210	104,600	104,600	104,600	-	-	-	
Yao Chih Matthias	1 May 2015	\$1.365	15,900	10,600	10,600	-	-	-	
	1 May 2016	\$1.210	17,800	17,800	17,800	-	-	-	
	1 May 2017	\$0.715	-	34,500	34,500	-	-	-	
Ling Peng Meng	1 May 2015	\$1.365	10,400	6,900	6,900	-	-	-	
	1 May 2016	\$1.210	11,900	11,900	11,900	-	-	-	
	1 May 2017	\$0.715	-	23,000	23,000	-	-	-	
Kok Chee Wai	1 May 2015	\$1.365	13,200	8,800	8,800	-	-	-	
	1 May 2016	\$1.210	14,600	14,600	14,600	-	-	-	
	1 May 2017	\$0.715	-	28,300	28,300	-	-	-	
Ng Loh Ken Peter	1 May 2015	\$1.365	14,600	9,700	9,700	-	-	-	
	1 May 2016	\$1.210	16,300	16,300	16,300	-	-	-	
	1 May 2017	\$0.715	-	31,600	31,600	-	-	-	
Lim Wee Kian	1 May 2015	\$1.365	7,100	4,700	4,700	-	-	-	
	1 May 2016	\$1.210	8,000	8,000	8,000	-	-	-	
	1 May 2017	\$0.715	-	15,400	15,400	-	-	-	
Low Huan Ping	1 May 2015	\$1.365	9,300	6,200	6,200	-	-	-	
Kelvin Yip Hok Yin	1 March 2015	\$1.370	49,200	32,800	N.A.	19,400	12,900	N.A.	(1)
	1 March 2016	\$1.275	58,200	58,200	N.A.	29,400	29,400	N.A.	(1)
	1 April 2017	\$0.715	-	102,000	N.A.	-	31,300	N.A.	
Goh Bing Yuan	1 March 2015	\$1.370	N.A.	N.A.	31,400	N.A.	N.A.	-	
	1 March 2016	\$1.275	N.A.	N.A.	31,200	N.A.	N.A.	-	
	1 April 2017	\$0.715	N.A.	N.A.	48,200	N.A.	N.A.	-	

N.A. - Not Applicable

Note

(1) Kelvin Yip Hok Yin is deemed to have an interest in the Company's performance shares held by his spouse.

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 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, Ling Peng Meng and Kok Chee Wai.

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 2017	Performance shares granted	Performance shares vested	Performance shares forfeited	Performance shares outstanding at 31 December 2017	Number of performance share holders 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	

# DIRECTORS' STATEMENT

Year ended 31 December 2017

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 2017	Aggregate number of Shares comprised in Awards issued since commencement of the PSP to 31 December 2017	Aggregate number of Shares comprised in Awards vested since commencement of the PSP to 31 December 2017	Aggregate number of Shares comprised in Awards which have not been vested as at 31 December 2017	Note
Lim Chung Chun	–	104,600	–	104,600	
Yao Chih Matthias	34,500	68,200	5,300	62,900	
Ling Peng Meng	23,000	45,300	3,500	41,800	
Kok Chee Wai	28,300	56,100	4,400	51,700	
Ng Loh Ken Peter	31,600	62,500	4,900	57,600	
Lim Wee Kian	15,400	30,500	2,400	28,100	
Low Huan Ping	–	9,300	3,100	6,200	
Kelvin Yip Hok Yin	89,500	289,500	22,900	266,600	(1)
Goh Bing Yuan	N.A.	N.A.	N.A.	N.A.	

N.A. - Not Applicable

Note

<sup>(1)</sup> This includes 31,300 performance shares issued during financial year ended 31 December 2017, aggregate 80,100 performance shares issued as at 31 December 2017 and aggregate 6,500 performance shares vested as at 31 December 2017 that Kelvin Yip Hok Yin is deemed to have an interest in by virtue of being held by his spouse.

## 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, Ling Peng Meng and Kok Chee Wai.

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, Ling Peng Meng and Kok Chee Wai.

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 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 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
		7,107,854	–	2,568,003	42,750	4,497,101		

## 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, Ling Peng Meng and Kok Chee Wai.

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.

# DIRECTORS' STATEMENT

Year ended 31 December 2017

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 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
		238,600	–	67,100	–	171,500		

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 2017	Aggregate options granted since commencement of 2013 Scheme to 31 December 2017	Aggregate options exercised since commencement of 2013 Scheme to 31 December 2017	Aggregate options outstanding as at 31 December 2017	Note
Lim Chung Chun	–	900,000	600,000	300,000	
Yao Chih Matthias	–	120,000	120,000	–	
Ling Peng Meng	–	360,000	360,000	–	
Kok Chee Wai	–	120,000	120,000	–	
Ng Loh Ken Peter	–	120,000	120,000	–	
Lim Wee Kian	–	360,000	240,000	120,000	
Low Huan Ping	–	–	–	–	
Kelvin Yip Hok Yin	–	312,750	78,750	234,000	(1)
Goh Bing Yuan	N.A.	N.A.	N.A.	N.A.	

N.A. - Not Applicable

Note

<sup>(1)</sup> This includes aggregate 78,750 options exercised and aggregate 48,000 options outstanding as at 31 December 2017 that Kelvin Yip Hok Yin is deemed to have an interest in by virtue of being held by his spouse.

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

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
		–	21,923,700	–	910,100	21,013,600		

Details of options granted to Directors of the Company under the iFAST China 2017 ESOS are as follows:

Name of Director	Options granted for financial year ended 31 December 2017	Aggregate options granted since commencement of iFAST China 2017 ESOS to 31 December 2017	Aggregate options exercised since commencement of iFAST China 2017 ESOS to 31 December 2017	Aggregate options outstanding as at 31 December 2017
Kelvin Yip Hok Yin	94,100	94,100	–	94,100

## 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
- Yao Chih Matthias, Independent Director
- Kok Chee Wai, Independent 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 Directors of the Company 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.



# DIRECTORS' STATEMENT

Year ended 31 December 2017

## 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

15 March 2018



# 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 2017, 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 91 to 152.

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 Financial Reporting Standards in Singapore ("FRSs") 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 2017 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 17 to the financial statements)

The Key Audit matter	How the matter was addressed in our audit
<p>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 revenue comprises fees calculated based on a percentage of AUA.</p> <p>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.</p> <p>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.</p>	<p>We obtained an understanding of the revenue cycle, including the process of recording the AUA.</p> <p>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.</p> <p>We evaluated the basis of Management's methodology and assumptions used in determining the accrued revenue through a retrospective review by comparing accruals made at the previous year end against actual transactions. We found the accrual process and assumptions for 2017 to be consistent with prior periods. For the accruals as at 31 December 2017, we compared the actual invoices issued subsequent to the current financial year end to the accrued amounts, where these were available.</p> <p>We noted that the controls are in place for the recording and reporting of the AUA. 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.</p>

## CAPITALISATION AND VALUATION OF IT DEVELOPMENT COSTS AS INTANGIBLE ASSETS

(Refer to Note 5 to the financial statements)

<i>The Key Audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>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 complicated and prone to error.</p> <p>These development costs are capitalised as intangible assets and are subjected to impairment assessment, which involves significant judgement.</p>	<p>We assessed the Group's policy on capitalisation of development costs to be appropriate and in compliance with FRSS.</p> <p>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 to the capitalised costs schedule and assessed that the nature of these costs are directly attributable to the development of the IT systems for capitalisation in accordance with the relevant accounting standards.</p> <p>Our testing did not result in the identification of significant costs that do not meet the capitalisation criteria under the relevant FRSS. We also reviewed the impairment assessment on the intangible assets and did not note any indicator of impairment.</p>

## VALUATION OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(Refer to Note 6 and Note 7 to the financial statements)

<i>The Key Audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>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.</p>	<p>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.</p> <p>We found the assumptions and resulting estimates to be balanced.</p>

## VALUATION OF AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS

(Refer to Note 9 to the financial statements)

<i>The Key Audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group's available-for-sale financial assets include quoted debt securities as well as quoted and unquoted equity securities.</p> <p>These financial assets are impaired if objective evidence indicate that a loss event has occurred, and that the loss event has an impact on the estimated future cash flows of the assets that can be reliably estimated.</p>	<p>We evaluated the Management's assessment for impairment of these investments by identifying debt security investments where there are adverse news or default in coupons payments in relation to the issuer. We have also identified equity security investments with significant or prolonged decline in the fair value below cost.</p> <p>We challenged the appropriateness of Management's quantitative thresholds in assessing a significant or prolonged decline.</p> <p>We noted that sufficient impairment has been made by Management at this juncture.</p>

## 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 FRSs, 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**

15 March 2018

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

		Group		Company	
	Note	2017 \$	2016 \$	2017 \$	2016 \$
<b>Assets</b>					
Plant and equipment	4	2,307,883	2,187,236	65,650	51,672
Intangible assets and goodwill	5	13,622,408	10,374,511	10,720,259	7,366,636
Subsidiaries	6	–	–	50,089,909	48,312,515
Associates	7	1,615,885	1,829,085	2,017,160	2,017,185
Other investments	9	3,848,832	–	783,140	–
Deferred tax assets	14	542,020	–	–	–
Prepayments and others	10	346,352	313,647	11,429	11,429
<b>Total non-current assets</b>		<b>22,283,380</b>	<b>14,704,479</b>	<b>63,687,547</b>	<b>57,759,437</b>
Current tax receivable		33,774	79,650	–	–
Other investments	9	22,412,683	32,127,452	22,412,683	32,127,452
Trade and other receivables	8	37,190,836	24,090,955	7,772,779	2,135,174
Prepayments and others	10	1,315,084	1,661,804	25,947	93,535
Money market funds	11	2,618,956	1,489,846	–	–
Cash at bank and in hand	11	30,879,533	20,973,829	8,452,278	3,594,802
<b>Total current assets</b>		<b>94,450,866</b>	<b>80,423,536</b>	<b>38,663,687</b>	<b>37,950,963</b>
<b>Held under trust</b>					
Client bank accounts	12	275,461,259	156,077,834	–	–
Client ledger balances	12	(275,461,259)	(156,077,834)	–	–
		–	–	–	–
<b>Total assets</b>		<b>116,734,246</b>	<b>95,128,015</b>	<b>102,351,234</b>	<b>95,710,400</b>
<b>Equity</b>					
Share capital	13	65,544,511	64,147,569	65,544,511	64,147,569
Reserves	13	15,691,017	14,298,131	21,554,920	16,040,297
<b>Equity attributable to owners of the Company</b>		<b>81,235,528</b>	<b>78,445,700</b>	<b>87,099,431</b>	<b>80,187,866</b>
Non-controlling interests		17,401	150,052	–	–
<b>Total equity</b>		<b>81,252,929</b>	<b>78,595,752</b>	<b>87,099,431</b>	<b>80,187,866</b>
<b>Liabilities</b>					
Deferred tax liabilities	14	1,195,349	481,809	930,034	196,402
Finance lease liabilities	16	13,437	18,789	–	–
<b>Total non-current liabilities</b>		<b>1,208,786</b>	<b>500,598</b>	<b>930,034</b>	<b>196,402</b>
Trade and other payables	15	33,188,587	15,523,417	14,321,769	15,326,132
Finance lease liabilities	16	5,072	4,668	–	–
Current tax payable		1,078,872	503,580	–	–
<b>Total current liabilities</b>		<b>34,272,531</b>	<b>16,031,665</b>	<b>14,321,769</b>	<b>15,326,132</b>
<b>Total liabilities</b>		<b>35,481,317</b>	<b>16,532,263</b>	<b>15,251,803</b>	<b>15,522,534</b>
<b>Total equity and liabilities</b>		<b>116,734,246</b>	<b>95,128,015</b>	<b>102,351,234</b>	<b>95,710,400</b>

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue	17	101,166,664	80,596,374
Commission and fee paid or payable to third party financial advisers		(51,721,986)	(39,903,961)
		49,444,678	40,692,413
Other income	18	2,504,165	1,883,672
Depreciation of plant and equipment	4	(1,369,155)	(1,577,751)
Amortisation of intangible assets	5	(2,875,270)	(1,492,137)
Staff costs		(21,086,511)	(19,275,067)
Other operating expenses		(16,944,955)	(14,815,064)
<b>Results from operating activities</b>		<b>9,672,952</b>	<b>5,416,066</b>
Finance income		739,992	837,836
Finance cost		(1,634)	(1,887)
<b>Net finance income</b>		<b>738,358</b>	<b>835,949</b>
<b>Share of results of associates, net of tax</b>	7	<b>(326,376)</b>	<b>(158,062)</b>
<b>Profit before tax</b>		<b>10,084,934</b>	<b>6,093,953</b>
Tax expense	20	(1,254,688)	(761,097)
<b>Profit for the year</b>	19	<b>8,830,246</b>	<b>5,332,856</b>
<b>Profit attributable to:</b>			
Owners of the Company		9,037,732	5,446,573
Non-controlling interests		(207,486)	(113,717)
<b>Profit for the year</b>		<b>8,830,246</b>	<b>5,332,856</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	22	3.43	2.08
Diluted earnings per share (cents)	22	3.37	2.04

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



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 \$	2016 \$
<b>Profit for the year</b>		8,830,246	5,332,856
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		823,838	532,625
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	19	(1,114,019)	311,950
Foreign currency translation differences for foreign operations		(942,013)	63,619
Share of other comprehensive income of associates		(2,625)	7,961
<b>Other comprehensive income for the year, net of tax</b>		<u>(1,234,819)</u>	<u>916,155</u>
<b>Total comprehensive income for the year</b>		<u>7,595,427</u>	<u>6,249,011</u>
<b>Attributable to:</b>			
Owners of the Company		7,806,078	6,362,012
Non-controlling interests		<u>(210,651)</u>	<u>(113,001)</u>
<b>Total comprehensive income for the year</b>		<u>7,595,427</u>	<u>6,249,011</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

Attributable to owners of the Company

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 \$
At 1 January 2017	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
<b>Total comprehensive income for the year</b>											
Profit/(loss) for the year	-	-	-	-	-	-	-	9,037,732	9,037,732	(207,486)	8,830,246
<b>Other comprehensive income</b>											
Net change in fair value of available-for-sale financial assets	-	823,838	-	-	-	-	-	-	823,838	-	823,838
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(1,114,019)	-	-	-	-	-	-	(1,114,019)	-	(1,114,019)
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)
<b>Total other comprehensive income</b>	-	(288,886)	(942,768)	-	-	-	-	-	(1,231,654)	(3,165)	(1,234,819)
<b>Total comprehensive income for the year</b>	-	(288,886)	(942,768)	-	-	-	-	9,037,732	7,806,078	(210,651)	7,595,427
Balance carried forward	64,147,569	(277,962)	(1,477,818)	1,496,244	2,250,619	(2,009,391)	(2,531,323)	24,653,840	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 2017

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		64,147,569	(277,962)	(1,477,818)	1,496,244	2,250,619	(2,009,391)	(2,531,323)	24,653,840	86,251,778	(60,599)	86,191,179
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
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
<b>Total contributions by and distributions to owners</b>		<b>1,396,942</b>	<b>-</b>	<b>-</b>	<b>293,714</b>	<b>594,246</b>	<b>-</b>	<b>(8,177)</b>	<b>(7,292,975)</b>	<b>(5,016,250)</b>	<b>-</b>	<b>(5,016,250)</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2017

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
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Changes in ownership interests in subsidiaries</b>												
Issue of shares to non-controlling interests of subsidiary		-	-	-	-	-	-	-	-	-	78,000	78,000
<b>Total changes in ownership interests in subsidiaries</b>		-	-	-	-	-	-	-	-	-	78,000	78,000
<b>Total transactions with owners</b>		1,396,942	-	-	293,714	594,246	-	(8,177)	(7,292,975)	(5,016,250)	78,000	(4,938,250)
<b>At 31 December 2017</b>		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

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2017

Attributable to owners of the Company

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 \$
At 1 January 2016	62,546,416	(833,599)	(605,966)	1,305,823	826,776	(4,160,640)	-	17,480,392	76,559,202	-	76,559,202
<b>Total comprehensive income for the year</b>											
Profit/(loss) for the year	-	-	-	-	-	-	-	5,446,573	5,446,573	(113,717)	5,332,856
<b>Other comprehensive income</b>											
Net change in fair value of available-for-sale financial assets	-	532,625	-	-	-	-	-	-	532,625	-	532,625
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	311,950	-	-	-	-	-	-	311,950	-	311,950
Foreign currency translation differences for foreign operations	-	-	62,903	-	-	-	-	-	62,903	716	63,619
Share of other comprehensive income of associates	-	(52)	8,013	-	-	-	-	-	7,961	-	7,961
<b>Total other comprehensive income</b>	-	844,523	70,916	-	-	-	-	-	915,439	716	916,155
<b>Total comprehensive income for the year</b>	-	844,523	70,916	-	-	-	-	5,446,573	6,362,012	(113,001)	6,249,011
Balance carried forward	62,546,416	10,924	(535,050)	1,305,823	826,776	(4,160,640)	-	22,926,965	82,921,214	(113,001)	82,808,213

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2017

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		62,546,416	10,924	(535,050)	1,305,823	826,776	(4,160,640)	-	22,926,965	82,921,214	(113,001)	82,808,213
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Share options exercised	13	1,601,153	-	-	-	-	-	-	-	1,601,153	-	1,601,153
Purchase of treasury shares		-	-	-	-	-	-	(2,531,323)	-	(2,531,323)	-	(2,531,323)
One-tier tax-exempt 2015 final dividend paid of 0.75 cents per share		-	-	-	-	-	-	-	(1,958,834)	(1,958,834)	-	(1,958,834)
One-tier tax-exempt interim dividend paid of 0.68 cents per share		-	-	-	-	-	-	-	(1,775,887)	(1,775,887)	-	(1,775,887)
One-tier tax-exempt interim dividend paid of 0.68 cents per share		-	-	-	-	-	-	-	(1,789,065)	(1,789,065)	-	(1,789,065)
One-tier tax-exempt interim dividend paid of 0.68 cents per share		-	-	-	-	-	-	-	(1,787,071)	(1,787,071)	-	(1,787,071)
Equity-settled share-based payment transactions		-	-	-	190,421	1,423,843	-	-	-	1,614,264	-	1,614,264
<b>Total contributions by and distributions to owners</b>		1,601,153	-	-	190,421	1,423,843	-	(2,531,323)	(7,310,857)	(6,626,763)	-	(6,626,763)

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2017

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 \$
<b>Changes in ownership interests in subsidiaries</b>												
Disposal of subsidiary to non-controlling interests without a change in control												
	6	-	-	-	-	-	2,151,249	-	-	2,151,249	263,053	2,414,302
<b>Total changes in ownership interests in subsidiaries</b>												
		-	-	-	-	-	2,151,249	-	-	2,151,249	263,053	2,414,302
<b>Total transactions with owners</b>												
		1,601,153	-	-	190,421	1,423,843	2,151,249	(2,531,323)	(7,310,857)	(4,475,514)	263,053	(4,212,461)
<b>At 31 December 2016</b>												
		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

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Profit for the year		8,830,246	5,332,856
Adjustments for:			
Depreciation of plant and equipment	4	1,369,155	1,577,751
Gain on disposal of plant and equipment		(1,290)	-
Plant and equipment written off		19,180	333
Intangible assets written off		2,040	-
Amortisation of intangible assets	5	2,875,270	1,492,137
Bad debt written off		2,426	5,326
Equity-settled share-based payment transactions		2,005,423	1,946,879
Dividend income on investment in available-for-sale financial assets		(652,627)	(691,066)
Gain on redemption of investment in available-for-sale financial assets		(1,392,994)	(372,702)
Net gains on held-for-trading financial assets		(206,841)	(129,085)
Impairment loss on investment in available-for-sale financial assets		278,975	684,652
Share of results of associates, net of tax	7	326,376	158,062
Dividend income on investment in associates		(35,970)	(27,117)
Gain on acquisition of a subsidiary		-	(262,145)
Gain on derecognition of an associate		(18,940)	-
Unrealised exchange loss, net		384,063	192,993
Net finance income		(738,358)	(835,949)
Tax expense		1,254,688	761,097
		14,300,822	9,834,022
Change in trade and other receivables		(13,415,170)	(5,296,894)
Change in trade and other payables		12,087,828	834,063
<b>Cash generated from operations</b>		12,973,480	5,371,191
Taxes paid		(468,053)	(679,041)
Interest received		714,073	939,462
Interest paid		(1,634)	(1,582)
<b>Net cash from operating activities</b>		13,217,866	5,630,030
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(1,535,170)	(1,334,304)
Purchase of intangible assets		(5,602,374)	(5,371,982)
Proceeds from disposal of plant and equipment		1,290	-
Acquisition of interest and additional investment in associates		(160,000)	(1,617,027)
Dividend received from associate		35,005	20,035
Purchase of investment in financial assets		(60,577,136)	(32,471,199)
Proceeds from redemption of investment in financial assets		73,680,686	35,008,240
Dividends received from investment in available-for-sale financial assets		34,514	38,750
Acquisition of subsidiaries, net of cash acquired	6	(701,973)	(1,104,046)
<b>Net cash from/(used in) investing activities</b>		5,174,842	(6,831,533)
<b>Cash flows from financing activities</b>			
Proceeds from exercise of share options		1,396,942	1,601,153
Purchase of treasury shares		(547,631)	(2,531,323)
Proceeds from shares issued to non-controlling interests of subsidiary		78,000	2,414,302
Repayment of finance lease liabilities		(4,581)	(2,710)
Dividends paid to owners of the Company		(7,538,824)	(7,310,857)
<b>Net cash used in financing activities</b>		(6,616,094)	(5,829,435)
<b>Net increase/(decrease) in cash and cash equivalents</b>		11,776,614	(7,030,938)
Cash and cash equivalents at 1 January		22,463,675	29,519,866
Effect of exchange rate fluctuations on cash held		(741,800)	(25,253)
<b>Cash and cash equivalents at 31 December</b>	11	33,498,489	22,463,675

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

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 March 2018.

## 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 Building, Singapore 049315.

The financial statements of the Group as at and for the year ended 31 December 2017 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 Singapore government securities through websites and acting as an investment advisor, dealer and custodian in respect to the above securities.

## 2 Basis of Preparation

### 2.1 Statement of compliance

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

### 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 FRSs requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an 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 21 – Share-based Incentive Plans

### *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).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 2 Basis of Preparation (continued)

### 2.4 Use of estimates and judgements (continued)

#### *Measurement of fair values (continued)*

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 24 – 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 2017, and have been applied in preparing these financial statements. None of these have a significant effect on the financial statements.

## 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

### 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.

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 FRSS.

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

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.

### 3 Significant Accounting Policies (continued)

#### 3.1 Basis of consolidation (continued)

##### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 3 Significant Accounting Policies (continued)

### 3.2 Foreign currency (continued)

#### (i) Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated 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 retranslation are recognised in profit or loss, except for the differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which are recognised in other comprehensive income.

#### (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 on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the reporting rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the 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.

### 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.



### 3 Significant Accounting Policies (continued)

#### 3.3 Plant and equipment (continued)

##### (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.

#### 3.4 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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 3 Significant Accounting Policies (continued)

### 3.4 Intangible assets (continued)

#### *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.

### 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) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

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

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

### 3 Significant Accounting Policies (continued)

#### 3.7 Financial instruments (continued)

##### (i) Non-derivative financial assets (continued)

###### *Financial assets at fair value through profit or loss*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, are recognised in profit or loss. Equity securities that otherwise would have been classified as available for sale are classified at fair value through profit or loss.

Financial assets classified as held for trading comprise debt securities actively managed by the Group.

###### *Loans and receivables*

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

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

###### *Cash and cash equivalents*

Cash and cash equivalents of the Group comprise cash balances, bank deposits and money market funds.

###### *Available-for-sale financial assets*

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

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

##### (ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

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

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

Other financial liabilities comprise trade and other payables.

##### (iii) 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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 3 Significant Accounting Policies (continued)

### 3.7 Financial instruments (continued)

#### (iii) Share capital (continued)

##### *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 shares 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.

#### (iv) Intra-group financial guarantees in the separate financial statements

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

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

### 3.8 Impairment

#### (i) Non-derivative financial assets

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

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

##### *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.

### 3 Significant Accounting Policies (continued)

#### 3.8 Impairment (continued)

##### (i) Non-derivative financial assets (continued)

###### *Loans and receivables (continued)*

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

###### *Available-for-sale financial assets*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

###### *Associates*

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.8(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

##### (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. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 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 Company 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 represents advertising fees, commission and fee income, service fees, income from sale of magazines and software licences fees.

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.

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.

Magazine sales and software licence revenue are recognised when the significant risks and rewards of ownership have been transferred to the buyer.

#### 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 expense arising from financial lease 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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 3 Significant Accounting Policies (continued)

### 3.16 Tax (continued)

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.

### 3.17 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 Full convergence with International Financial Reporting Standards ("IFRS") and adoption of new standards

#### **Applicable to 2018 financial statements**

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 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. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

### 3 Significant Accounting Policies (continued)

#### 3.19 Full convergence with International Financial Reporting Standards ("IFRS") and adoption of new standards (continued)

##### **Applicable to 2018 financial statements (continued)**

In addition to the adoption to the new framework, the Group will also concurrently apply 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 - *Classification 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 1 - *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 Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 9. The assessment below may not be fully representative of the impact as at 1 January 2018 because, the Group is still finalising its implementation efforts and assessments.

In addition, the Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SFRS(I) and the preliminary assessment may be subject to changes arising from the detailed analysis.

##### **SFRS(I) 1**

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSS applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

##### **SFRS(I) 15**

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 December 2018, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively and the comparative period presented in the 2018 financial statements will be restated.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The Group has performed a preliminary impact assessment of adopting SFRS(I) 15 based on currently available information and the Group does not expect the adoption of SFRS(I) 15 to result in have any significant changes to the basis of revenue recognition or significant impact on the financial statements. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts SFRS(I) 15 in 2018.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 3 Significant Accounting Policies (continued)

### 3.19 Full convergence with International Financial Reporting Standards ("IFRS") and adoption of new standards (continued)

#### SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.
- The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2018.
  - The determination of the business model within which a financial asset is held.
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income ("FVOCI").
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL").
- If an investment in a debt security has low credit risk at 1 January 2018, the Group plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

#### *Classification and measurement*

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under SFRS(I) 9. The expected classification and measurement for most of these assets held at fair value under SFRS(I) 9 are as follows:

- The available-for-sale (AFS) debt instruments amounting to \$1,663,440 at 31 December 2017 are expected to be classified as financial assets subsequently measured at fair value through other comprehensive income (FVOCI) as they are held to maintain liquidity for the Group and may be sold from time to time should the need arise.
- For the AFS equity instruments amounting to \$18,183,723 at 31 December 2017, the Group expects to elect to classify them as FVOCI. Under SFRS(I) 9, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment.  
The gain on redemption of AFS equity instruments amounting to \$1,400,880 previously recognised in the Group's profit or loss for the year ended 31 December 2017 will be adjusted against retained earnings when the Group applies SFRS(I) 9.

#### *Impairment*

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables. On adoption of SFRS(I) 9, the Group does not expect a significant increase in impairment loss allowance.

The Group is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon finalisation.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

The Group has performed a preliminary impact assessment of adopting SFRS(I) 9 based on currently available information and the Group does not expect the adoption of SFRS(I) 9 to have any significant impact on the financial statements. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts SFRS(I) 9 in 2018.

### 3 Significant Accounting Policies (continued)

3.19 Full convergence with International Financial Reporting Standards ("IFRS") and adoption of new standards (continued)  
**Applicable to 2019 financial statements**

#### SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2019. The Group has performed a preliminary high-level assessment of the new standard on its existing assessment of the new standard on its existing operating lease arrangements.

The Group plans to adopt the new standard on the required effective date by applying SFRS(I) 16 retrospectively using the modified retrospective approach as an adjustment to the opening balance of retained earnings as at 1 January 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to SFRS(I) 16 and assessing the possible impact of adoption.

### 4 Plant and Equipment

	Computer equipment \$	Office equipment \$	Furniture and fittings \$	Office renovation \$	Total \$
<b>Group</b>					
<b>Cost</b>					
At 1 January 2016	4,695,165	521,440	463,270	2,706,788	8,386,663
Additions	1,010,665	109,211	39,023	201,449	1,360,348
Disposals/written off	(253,480)	–	–	–	(253,480)
Translation differences on consolidation	(37,088)	(1,181)	(2,527)	5,937	(34,859)
At 31 December 2016	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
<b>Accumulated depreciation</b>					
At 1 January 2016	3,102,032	423,807	408,133	2,014,600	5,948,572
Depreciation for the year	997,854	39,994	15,366	524,537	1,577,751
Disposals/written off	(253,147)	–	–	–	(253,147)
Translation differences on consolidation	(9,616)	(594)	(2,024)	10,494	(1,740)
At 31 December 2016	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
<b>Carrying amounts</b>					
At 1 January 2016	1,593,133	97,633	55,137	692,188	2,438,091
At 31 December 2016	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

In 2016, the Group acquired office equipment amounting to \$26,044 under a finance lease for a period of five years.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 4 Plant and Equipment (continued)

	Computer equipment \$	Office equipment \$	Total \$
<b>Company</b>			
<b>Cost</b>			
At 1 January 2016	166,411	6,104	172,515
Additions	17,471	653	18,124
Disposals/written off	(3,030)	-	(3,030)
At 31 December 2016	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
<b>Accumulated depreciation</b>			
At 1 January 2016	89,638	4,889	94,527
Depreciation for the year	43,909	531	44,440
Disposals/written off	(3,030)	-	(3,030)
At 31 December 2016	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
<b>Carrying amounts</b>			
At 1 January 2016	76,773	1,215	77,988
At 31 December 2016	50,335	1,337	51,672
At 31 December 2017	64,920	730	65,650



## 5 Intangible Assets

	Development costs \$	Development costs in progress \$	Computer software \$	Intellectual properties \$	Licences \$	Customer lists \$	Goodwill \$	Total \$
<b>Group</b>								
<b>Cost</b>								
At 1 January 2016	1,325,759	2,131,250	3,269,341	270,903	-	706,800	-	7,704,053
Acquisition through business combination (Note 6)	-	-	-	-	1,446,120	-	-	1,446,120
Other additions	-	4,445,799	808,383	-	-	-	-	5,254,182
Transfers	5,316,250	(5,316,250)	-	-	-	-	-	-
Disposals/written off	-	-	(5,375)	-	-	-	-	(5,375)
Translation differences on consolidation	-	-	(22,585)	(12,250)	8,580	-	-	(26,255)
At 31 December 2016	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

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 5 Intangible Assets (continued)

	Development costs \$	Development costs in progress \$	Computer software \$	Intellectual properties \$	Licences \$	Customer lists \$	Goodwill \$	Total \$
<b>Group</b>								
<b>Accumulated amortisation</b>								
At 1 January 2016	144,267	-	1,736,752	270,903	-	388,740	-	2,540,662
Amortisation for the year	745,530	-	605,247	-	-	141,360	-	1,492,137
Disposals/written off	-	-	(5,375)	-	-	-	-	(5,375)
Translation differences on consolidation	-	-	(16,960)	(12,250)	-	-	-	(29,210)
At 31 December 2016	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
<b>Carrying amounts</b>								
At 1 January 2016	1,181,492	2,131,250	1,532,589	-	-	318,060	-	5,163,391
At 31 December 2016	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

In 2013, customer lists were acquired by the Group from a third party for cash consideration of \$706,800 payable in twelve quarterly instalments till 2016. \$706,800 have been fully paid to the third party as at 31 December 2016.

## 5 Intangible Assets (continued)

	Development costs \$	Development costs in progress \$	Computer software \$	Intellectual properties \$	Total \$
<b>Company</b>					
<b>Cost</b>					
At 1 January 2016	1,306,584	2,131,250	697,303	35,900,000	40,035,137
Additions	-	4,445,799	5,926	-	4,451,725
Transfers	5,316,250	(5,316,250)	-	-	-
Disposals/written off	-	-	(5,375)	-	(5,375)
At 31 December 2016	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
<b>Accumulated amortisation</b>					
At 1 January 2016	125,092	-	128,248	35,900,000	36,153,340
Amortisation for the year	745,530	-	221,356	-	966,886
Disposals/written off	-	-	(5,375)	-	(5,375)
At 31 December 2016	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
<b>Carrying amounts</b>					
At 1 January 2016	1,181,492	2,131,250	569,055	-	3,881,797
At 31 December 2016	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

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 6 Subsidiaries

	Company	
	2017 \$	2016 \$
Equity investments, at cost	50,089,909	48,312,515

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest	
		2017 %	2016 %
iFAST Financial Pte. Ltd. <sup>(1)</sup> and its subsidiary:	Singapore	100	100
iFAST Nominees Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
iFAST Capital Ltd. <sup>(1)</sup>	Singapore	100	100
iFAST Financial (HK) Limited <sup>(2)</sup> and its subsidiaries:	Hong Kong	100	100
iFAST Nominees (HK) Limited <sup>(2)</sup>	Hong Kong	100	100
iFAST China Holdings Pte. Ltd. <sup>(1)</sup> and its subsidiary:	Singapore	95	95
iFAST Financial Limited <sup>(4)</sup>	China	95	95
iFAST Platform Services (HK) Limited <sup>(2)</sup>	Hong Kong	100	100
iFAST Securities (HK) Limited <sup>(5)</sup>	Hong Kong	100	100
iFAST Insurance Brokers (HK) Limited <sup>(6)</sup> (formerly known as Canadian Financial Consultants Limited)	Hong Kong	100	-
iFAST Service Centre Sdn Bhd <sup>(3)</sup>	Malaysia	100	100
iFAST Malaysia Sdn Bhd <sup>(3)</sup> and its subsidiaries:	Malaysia	100	100
FA Corporate and Compliance Consultancy Sdn Bhd <sup>(3)</sup>	Malaysia	100	100
iFAST Capital Sdn Bhd <sup>(3)</sup> and its subsidiary:	Malaysia	100	100
iFAST Nominees Sdn Bhd <sup>(3)</sup>	Malaysia	100	100
bondsupermart Ltd	British Virgin Islands	100	100

<sup>(1)</sup> KPMG LLP Singapore is the auditor

<sup>(2)</sup> KPMG LLP Hong Kong is the auditor

<sup>(3)</sup> BDO Limited Malaysia is the auditor

<sup>(4)</sup> KPMG Huazhen LLP, Shenzhen Branch is the auditor

<sup>(5)</sup> PKF Hong Kong Limited is the auditor

<sup>(6)</sup> W.H. Tang & Partners CPA Limited is the Auditor

On 3 May 2016, iFAST China Holdings Pte. Ltd. (formerly known as FA Corporate & Compliance Consultancy Pte. Ltd.) ("FCN") completed a share swap arrangement with iFAST Financial (HK) Limited ("FHK") to issue 1,200,000 new ordinary shares in FCN to FHK in a swap for the entire ordinary shares in iFAST Financial Limited held by FHK. Subsequent to the share swap, iFAST Financial Limited is a wholly-owned subsidiary of FCN, and the Company had 20% interest in FCN directly and 80% interest in FCN indirectly through FHK.

On 29 June 2016, the Group's shareholding in FCN declined by 5% due to issuance of new shares by FCN to Caerulean Limited ("CL"), a company incorporated in British Virgin Islands for cash consideration of US\$1.75 million (equivalent to \$2,414,302). For the year ended 31 December 2016, the Group recognised a gain of \$2,151,249 in reserves on disposal of partial interests in a subsidiary.

## 6 Subsidiaries (continued)

### *Acquisition of subsidiaries*

On 6 January 2016, the Company completed the acquisition of 100% shares in Winfield Securities Limited, renamed as iFAST Securities (HK) Limited ("IFS") on 7 March 2016, for cash consideration of HK\$15,755,931 (equivalent to \$2,914,053). IFS is principally engaged in securities trading and brokerage in Hong Kong. It is licensed to carry on Type 1 (Dealing in Securities) regulated activity under the Securities and Futures Ordinance and is a Stock Exchange of Hong Kong Limited Participant and Hong Kong Securities Clearing Company Limited Participant.

For the year ended 31 December 2016, IFS contributed revenue of \$74,787 and net loss of \$231,902 to the Group's consolidated results.

The acquisition had the following effects on the Group's assets and liabilities on acquisition date:

	Recognised value on acquisition \$
Trade and other receivables	307,146
Prepayments	5,050
Cash and cash equivalents	1,810,007
Trade and other payables	(392,125)
Licence to carry on Type 1 regulated activity and business as an Exchange and Clearing Participant	1,446,120
Total identifiable net assets	3,176,198
Gain on acquisition, included in other income (Note 18)	(262,145)
Consideration paid in cash	2,914,053
Cash and cash equivalents acquired	(1,810,007)
Net cash outflow	1,104,046

The value of the above assets and liabilities recognised on acquisition is based on the carrying amounts immediately before the acquisition except for the licence to carry on Type 1 regulated activity and business as an Exchange and Clearing Participant, where the carrying amounts are estimated to approximate their fair values on the date of acquisition. The value of the licence is recognised on acquisition, with reference to the most recent market transaction price for similar asset on acquisition date.

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.

For the year ended 31 December 2017, HII contributed revenue of \$312,272 and net loss of \$57,866 to the Group's consolidated result.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 6 Subsidiaries (continued)

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:

Name of associate	Country of incorporation	Ownership interest	
		2017 %	2016 %
Providend Holding Private Limited <sup>(1)</sup>	Singapore	30.0	30.0
iFAST India Holdings Pte. Ltd. <sup>(2)</sup> (formerly known as Pecuniam Pte. Ltd.)	Singapore	21.42	21.76
PC iFAST Holding (SG) Pte. Ltd. <sup>(3)</sup>	Singapore	*	25.0

<sup>(1)</sup> At Adler is the auditor

<sup>(2)</sup> KPMG LLP Singapore is the auditor

<sup>(3)</sup> UHY Lee Seng Chan & Co is the auditor

\* No longer an associate upon dilution of interest

On 20 June 2014, the Company entered into an agreement with Providend Holding Private Limited ("Providend") to acquire a 19.9% stake holding in Providend for cash consideration of \$400,157. The agreement also gave the Company a call option to purchase a further 10.1% stake holding in Providend for cash consideration of \$319,244 within two years from the completion of the acquisition. The acquisition was completed on 25 July 2014. On 22 July 2016, the Company exercised the call option to increase its stake holding in Providend to 30.0% for cash consideration of \$319,244.

On 20 April 2016, the Company acquired a 21.47% stake holding in iFAST India Holdings Pte. Ltd. (formerly known as Pecuniam Pte. Ltd.) for cash consideration of \$1,272,937. iFAST India Holdings Pte. Ltd. is an ultimate holding company of iFAST Financial India Pvt Ltd, an India-incorporated company engaged in the distribution of investment products, including mutual funds in India. Subsequently in July 2016, the Company increased its stake holding in iFAST India Holdings Pte. Ltd. to 21.76% for an additional cash consideration of \$24,822.

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 (2016: 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	
	2017 \$	2016 \$	2017 \$	2016 \$
At cost	2,017,160	2,017,185	2,017,160	2,017,185
Group's interests in associates at beginning of the year	1,829,085	362,158	2,017,185	400,157
Acquisition of interests in associates	160,000	1,617,028	160,000	1,617,028
Group's share of loss after tax of associates	(326,376)	(158,062)	-	-
Group's share of other comprehensive income of associates	(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	1,615,885	1,829,085	2,017,160	2,017,185

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 8 Trade and Other Receivables

	Group		Company	
	2017 \$	2016 \$	2017 \$	2016 \$
Trade receivables	11,117,455	11,331,834	69,410	24,325
Accrued revenue	10,779,185	8,794,977	180,116	178,527
Uncompleted contracts-buyers	9,055,702	-	-	-
Deposits and other receivables	5,497,850	2,872,315	1,294,116	628,069
Loans to subsidiary	-	-	5,120,000	-
Trade amounts due from subsidiaries	-	-	895,684	703,510
Trade amounts due from related parties	40,603	30,007	40,603	30,007
Non-trade amounts due from related parties	700,041	1,061,822	172,850	570,736
Loans and receivables	37,190,836	24,090,955	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 subsidiary are unsecured and repayable on demand with interest at a fixed rate of 5.0% per annum.

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 24.

## 9 Other Investments

	Group		Company	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Non-current</b>				
<b>Available-for-sale financial assets</b>				
Unquoted equity shares	3,848,832	-	783,140	-
<b>Current</b>				
<b>Quoted available-for-sale financial assets</b>				
- Debt securities	15,899,272	21,458,064	15,899,272	21,458,064
- Equity securities	99,059	4,667,463	99,059	4,667,463
	15,998,331	26,125,527	15,998,331	26,125,527
<b>Financial assets at fair value through profit or loss</b>				
- Debt securities	6,414,352	6,001,925	6,414,352	6,001,925
	22,412,683	32,127,452	22,412,683	32,127,452

Debt securities classified as available-for-sale investments of the Group and the Company comprise investment in fixed income funds amounting to \$14,235,832 (2016: \$17,872,413) and interest-bearing financial instruments amounting to \$1,663,440 (2016: \$3,585,651) which have fixed interest rates of 5.0% to 8.8% (2016: 3.7% to 8.8%) and mature between 1 and 3 years (2016: between 1 and 6 years).

Financial assets at fair value through profit or loss comprise debt securities classified as held-for-trading investments of the Group and the Company. They are interest-bearing financial instruments and have fixed interest rates of 3.1% to 8.3% (2016: 2.9% to 8.7%) and mature between 1 and 7 years (2016: between 1 and 6 years).

The Group's exposure to credit and market risk and the fair value information related to other investments are disclosed in Note 24.

## 10 Prepayments and Others

	Group		Company	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Non-current</b>				
Prepaid trailer fees in the form of shares	–	166,107	–	–
Other prepayments	334,923	136,111	–	–
Club membership, at cost	11,429	11,429	11,429	11,429
	<u>346,352</u>	<u>313,647</u>	<u>11,429</u>	<u>11,429</u>
<b>Current</b>				
Prepaid trailer fees in the form of shares	166,215	332,214	–	–
Other prepayments	1,148,869	1,329,590	25,947	93,535
	<u>1,315,084</u>	<u>1,661,804</u>	<u>25,947</u>	<u>93,535</u>

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.

## 11 Cash and Cash Equivalents

	Group		Company	
	2017 \$	2016 \$	2017 \$	2016 \$
Cash at bank and in hand	30,879,533	20,973,829	8,452,278	3,594,802
Money market funds	2,618,956	1,489,846	–	–
Cash and cash equivalents in the statement of cash flows	<u>33,498,489</u>	<u>22,463,675</u>	<u>8,452,278</u>	<u>3,594,802</u>

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 0.84% (2016: 0.52%) and 0.58% (2016: 0.12%) respectively.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 13 Share Capital and Reserves

### Share capital

		2017		2016	
	Note	Number of shares	\$	Number of shares	\$
Company					
Fully paid ordinary shares, with no par value:					
In issue at 1 January		264,906,715	64,147,569	260,977,301	62,546,416
Exercise of share options	21	2,635,103	1,396,942	3,929,414	1,601,153
In issue at 31 December		267,541,818	65,544,511	264,906,715	64,147,569

2,635,103 ordinary shares were issued in 2017 as a result of the exercise of vested options arising from the share option programmes granted to full-time executives (2016: 3,929,414 shares). Options were exercised at an average price of \$0.53 (2016: \$0.41) 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 4,668,601 (2016: 7,346,454) shares reserved for issue under options and 4,167,800 (2016: 3,136,400) shares reserved for issue under the PSP.

### Reserves

	Group		Company	
	2017 \$	2016 \$	2017 \$	2016 \$
Fair value reserve	(277,962)	10,924	(279,240)	10,974
Foreign currency translation reserve	(1,477,818)	(535,050)	-	-
Share option reserve	1,789,958	1,496,244	1,563,977	1,496,244
Performance share reserve	2,844,865	2,250,619	2,844,865	2,250,619
Equity reserve	(2,009,391)	(2,009,391)	-	-
Reserve for own shares	(2,539,500)	(2,531,323)	(2,539,500)	(2,531,323)
Accumulated profits	17,360,865	15,616,108	19,964,818	14,813,783
	15,691,017	14,298,131	21,554,920	16,040,297

### 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.

### 13 Share Capital and Reserves (continued)

#### 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 2017, the Group held 2,869,200 (2016: 2,683,300) of the Company's shares.

### 14 Deferred Tax

#### Unrecognised deferred tax assets and liabilities

At 31 December 2017, deferred tax assets in respect of tax losses and deductible temporary differences amounting to \$42,259,998 (2016: \$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	
	2017 \$	2016 \$	2017 \$	2016 \$
Deferred tax assets	542,020	-	-	-
Deferred tax liabilities	1,195,349	481,809	930,034	196,402

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Group</b>				
Plant and equipment	(49,358)	(402,688)	1,280,385	908,348
Trade and other payables	(35,678)	(23,851)	-	-
Tax losses recognised	(542,020)	-	-	-
Deferred tax (assets)/liabilities	(627,056)	(426,539)	1,280,385	908,348
Set off of tax	85,036	426,539	(85,036)	(426,539)
Net deferred tax liabilities/(assets)	(542,020)	-	1,195,349	481,809

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 14 Deferred Tax (continued)

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	At 1 January 2016 \$	Recognised in profit or loss (Note 20) \$	At 31 December 2016 \$	Recognised in profit or loss (Note 20) \$	Translation differences on consolidation \$	At 31 December 2017 \$
<b>Group</b>						
<b>Deferred tax assets</b>						
Plant and equipment	(320,749)	(81,939)	(402,688)	353,330	-	(49,358)
Trade and other receivables	(480)	480	-	-	-	-
Trade and other payables	(35,287)	11,436	(23,851)	(11,827)	-	(35,678)
Tax losses recognised	-	-	-	(545,027)	3,007	(542,020)
	(356,516)	(70,023)	(426,539)	(203,524)	3,007	(627,056)
<b>Deferred tax liabilities</b>						
Plant and equipment	591,360	316,988	908,348	372,037	-	1,280,385
	234,844	246,965	481,809	168,513	3,007	653,329

## 15 Trade and Other Payables

	<b>Group</b>		<b>Company</b>	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Current</b>				
Trade payables	1,859,154	1,645,226	125,831	364,361
Accrued operating expenses	22,117,780	13,495,069	8,461,121	2,298,611
Uncompleted contracts-sellers	8,936,125	-	-	-
Trade amounts due to subsidiaries	-	-	4,026,827	12,663,160
Non-trade amounts due to subsidiaries	-	-	1,700,000	-
Trade amounts due to related parties	-	35,836	-	-
Deposits received	275,528	347,286	7,990	-
	33,188,587	15,523,417	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 24.

## 16 Finance Lease Liabilities

	Group		Company	
	2017 \$	2016 \$	2017 \$	2016 \$
Current portion	5,072	4,668	-	-
Non-current portion	13,437	18,789	-	-
	18,509	23,457	-	-

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2017 \$	Interest 2017 \$	Present value of minimum lease payments 2017 \$	Future minimum lease payments 2016 \$	Interest 2016 \$	Present value of minimum lease payments 2016 \$
<b>Group</b>						
Within one year	6,722	1,650	5,072	6,823	2,155	4,668
Between one and five years	15,160	1,723	13,437	22,213	3,424	18,789
	21,882	3,373	18,509	29,036	5,579	23,457

## 17 Revenue

	Group	
	2017 \$	2016 \$
Commission and fee income	97,535,207	77,978,274
Service fees	3,489,668	2,215,695
Advertising fees	98,333	106,283
Others	43,456	296,122
	101,166,664	80,596,374

## 18 Other Income

	Group	
	2017 \$	2016 \$
Investment income		
- gain on redemption of investment in available-for-sale financial assets, net	1,392,994	372,702
- dividend income from investment in available-for-sale financial assets, net	652,626	691,066
- net gain on held-for-trading financial assets	206,841	129,085
- dividend income on investment in associate	35,970	27,117
- gain on acquisition of a subsidiary (Note 6)	-	262,145
- gain on derecognition of an associate	18,940	-
Government grant	144,649	256,550
Others	52,145	145,007
	2,504,165	1,883,672



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 19 Profit for the Year

The following items have been included in arriving at profit for the year:

	Group	
	2017 \$	2016 \$
Interest income		
- from cash at bank	(134,636)	(157,499)
- from trust accounts	(260,166)	(151,953)
- from money market funds	(69,444)	(45,526)
- from investment in financial assets	(273,868)	(482,858)
- from deposits and other receivables	(1,878)	-
Audit fees paid to:		
- auditors of the Company	191,500	208,145
- other auditors	124,425	122,924
Non-audit fees paid to:		
- auditors of the Company	54,900	32,450
- other auditors	64,250	182,410
Unrealised exchange loss, net	384,063	192,993
Equity-settled share-based payment transactions, included in staff costs	1,673,263	1,614,264
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	332,160	332,615
Contributions to defined contribution plans, included in staff costs	1,789,668	1,780,713
Operating lease expense	6,364,134	5,698,785
Net change in fair value of available-for-sale financial assets reclassified from equity	(1,114,019)	311,950
Impairment loss on investment in available-for-sale financial assets, included in other operating expenses	278,975	684,652

## 20 Tax Expense

	Group	
	2017 \$	2016 \$
<b>Current tax expense</b>		
Current year	1,118,857	527,195
Adjustment for prior years	(32,682)	(13,063)
	<u>1,086,175</u>	<u>514,132</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	99,021	241,259
Adjustment for prior years	69,492	5,706
	<u>168,513</u>	<u>246,965</u>
Total tax expense	<u>1,254,688</u>	<u>761,097</u>

## 20 Tax Expense (continued)

### Reconciliation of effective tax rate

	Group	
	2017 \$	2016 \$
Profit for the year	8,830,246	5,332,856
Total tax expense	1,254,688	761,097
Profit before tax	10,084,934	6,093,953
Tax using Singapore tax rate at 17% (2016: 17%)	1,714,439	1,035,972
Effect of tax rates in foreign jurisdictions	(243,367)	(224,496)
Effect of results of equity-accounted investee presented net of tax	55,484	26,871
Income not subject to tax	(297,704)	(192,318)
Tax incentives	(404,610)	(825,410)
Non-deductible expenses	401,882	619,968
Current year tax losses and temporary differences for which no deferred tax asset was recognised	1,101,046	794,028
Recognition of tax effect of previously unrecognised tax losses and temporary differences	(1,109,162)	(466,690)
Under / (Over) provided in prior years	36,810	(7,357)
Others	(130)	529
	1,254,688	761,097

## 21 Share-based Incentive Plans

At 31 December 2017, 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, Ling Peng Meng and Kok Chee Wai.
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 21 Share-based Incentive Plans (continued)

### Performance Share Plan (continued)

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 2016	Performance shares granted	Performance shares vested	Performance shares forfeited	Performance shares outstanding at 31 December 2016	Number of performance share holders at 31 December 2016
1 March 2015	\$1.370	1,789,500	–	–	137,400	1,652,100	142
1 May 2015	\$1.365	70,500	–	–	–	70,500	6
1 March 2016	\$1.275	–	1,296,200	–	55,600	1,240,600	158
1 May 2016	\$1.210	–	173,200	–	–	173,200	6
		1,860,000	1,469,400	–	193,000	3,136,400	

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 share holders 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	

### 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 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, Ling Peng Meng and Kok Chee Wai.
- (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.

## 21 Share-based Incentive Plans (continued)

### Employee Share Option Scheme (continued)

#### (iii) Other information regarding the ESOS are set out below: (continued)

- 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.

#### (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, Ling Peng Meng and Kok Chee Wai.
- (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, Ling Peng Meng and Kok Chee Wai.
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 21 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 2016	Options granted	Options exercised	Options forfeited/expired	Options outstanding at 31 December 2016	Number of option holders at 31 December 2016	Date of expiration
1 January 2007	\$0.20	144,000	–	144,000	–	–	–	31 December 2016
1 July 2009	\$0.27	93,000	–	8,000	–	85,000	3	30 June 2019
1 July 2010	\$0.40	382,700	–	229,100	–	153,600	5	30 June 2020
1 July 2013	\$0.42	6,384,612	–	3,548,314	108,750	2,727,548	51	30 June 2023
1 April 2014	\$0.60	4,202,784	–	–	242,478	3,960,306	116	31 March 2024
21 August 2014	\$0.63	420,000	–	–	–	420,000	2	20 August 2024
		<u>11,627,096</u>	<u>–</u>	<u>3,929,414</u>	<u>351,228</u>	<u>7,346,454</u>		

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
		<u>7,346,454</u>	<u>–</u>	<u>2,635,103</u>	<u>42,750</u>	<u>4,668,601</u>		

	Share option scheme 2013		Share option scheme 2003	
	Weighted average exercise price 2016	No. of options 2016	Weighted average exercise price 2016	No. of options 2016
At 1 January 2016	0.49	11,007,396	0.33	619,700
Granted	–	–	–	–
Exercised	0.42	(3,548,314)	0.32	(381,100)
Forfeited/Expired	0.54	(351,228)	–	–
At 31 December 2016	0.53	<u>7,107,854</u>	0.35	<u>238,600</u>
Number of options exercisable at 31 December 2016	0.42	<u>2,727,548</u>	0.35	<u>238,600</u>

	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 2017	0.53	7,107,854	0.35	238,600
Granted	–	–	–	–
Exercised	0.54	(2,568,003)	0.31	(67,100)
Forfeited/Expired	0.60	(42,750)	–	–
At 31 December 2017	0.53	<u>4,497,101</u>	0.37	<u>171,500</u>
Number of options exercisable at 31 December 2017	0.53	<u>4,497,101</u>	0.37	<u>171,500</u>

## 21 Share-based Incentive Plans (continued)

The options outstanding at 31 December 2017 have an exercise price in the range of \$0.27 to \$0.63 (2016: \$0.20 to \$0.63) and a weighted-average contractual life of 5.8 years (2016: 6.9 years).

Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$0.90 (2016: \$0.96) 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	1 January 2007
Fair value at measurement date <sup>^</sup>	0.85	0.80	0.49	0.21	0.48	0.32
Share price <sup>^</sup>	\$3.80	\$3.60	\$2.50	\$2.40	\$1.60	\$1.20
Exercise price <sup>^</sup>	\$3.80	\$3.60	\$2.50	\$2.40	\$1.60	\$1.20
Expected volatility	31.3%	25.8%	21.4%	7.4%	38.9%	20.8%
Expected option life (days)	1,095	1,460	1,460	1,460	1,460	2,190
Expected dividends	\$0.12	\$0.12	\$0.03	\$0.10	\$0.10	\$0.04
Risk-free interest rate	2.75%	2.75%	2.25%	2.50%	3.13%	3.75%

<sup>^</sup> 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.

### Share-based incentive plan of a subsidiary

#### iFAST China 2017 Employee Share Option

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	-	910,000	21,013,600	33	31 March 2027
		-	21,923,700	-	910,000	21,013,600		

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 21 Share-based Incentive Plans (continued)

### *Share-based incentive plan of a subsidiary (continued)*

#### *iFAST China 2017 Employee Share Option (continued)*

iFAST China 2017 ESOS		
	Weighted average exercise price 2017	No. of options 2017
At 1 January 2017	-	-
Granted	0.31	21,923,700
Exercised	-	-
Forfeited/Expired	0.31	(910,100)
At 31 December 2017	0.31	21,013,600
Number of options exercisable at 31 December 2017	-	-

#### *Measurements 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 April 2017	1 April 2017
Fair value at measured date	0.060	0.046
Share price	\$0.31	\$0.31
Exercise price	\$0.31	\$0.31
Expected volatility	11.22%	11.22%
Expected option life (days)	2,555	1,825
Expected dividends	-	-
Risk-free interest rate	2.13%	2.13%

The expected volatility is based on the one year historic volatility of the subsidiary'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 Earnings Per Share

### Basic earnings per share

	Group	
	2017 \$	2016 \$

#### Basic earnings per share is based on:

Net profit attributable to ordinary shareholders	9,037,732	5,446,573
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	Group	
	Number of shares 2017	Number of shares 2016
Issued ordinary shares at 1 January	262,223,415	260,977,301
Effect of share options exercised	1,363,328	1,973,654
Effect of treasury shares purchased	(602,733)	(1,060,375)
Effect of treasury shares re-issued	473,817	-
Weighted average number of ordinary shares during the year	263,457,827	261,890,580
Basic earnings per share (cents)	3.43	2.08

### 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	
	2017 \$	2016 \$

#### Diluted earnings per share is based on:

Net profit attributable to ordinary shareholders	9,037,732	5,446,573
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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 2017	Number of shares 2016
Weighted average number of:		
Ordinary shares used in the calculation of basic earnings per share	263,457,827	261,890,580
Potential ordinary shares issuable under:		
- Share Option Schemes and Performance Share Plan	4,999,808	5,457,193
Weighted average number of ordinary issued and potential shares issuable assuming full conversion during the year	268,457,635	267,347,773
Diluted earnings per share (cents)	3.37	2.04

At 31 December 2017, no shares (2016: Nil) were excluded from the diluted weighted-average number of ordinary shares calculation as their effect would have been anti-dilutive.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 23 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 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.

Geographical segments are analysed by four principal geographical areas as follows:

### Information about reportable segments

	Singapore \$	Hong Kong \$	Malaysia \$	China \$	Total \$
<b>2017</b>					
<b>Revenue and expenses</b>					
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	11,907,280	1,818,478	1,066,502	(4,380,950)	10,411,310
Share of results of associates	(326,376)	–	–	–	(326,376)
<b>Assets and liabilities</b>					
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

## 23 Operating Segments (continued)

### Information about reportable segments (continued)

	Singapore \$	Hong Kong \$	Malaysia \$	China \$	Total \$
<b>2016</b>					
<b>Revenue and expenses</b>					
Revenue from external customers	58,719,251	16,425,591	4,748,294	703,238	80,596,374
Inter-segment revenue	797,983	203,107	1,888,800	51,945	2,941,835
Total revenue	59,517,234	16,628,698	6,637,094	755,183	83,538,209
Finance income	716,339	19,151	87,129	15,217	837,836
Depreciation of plant and equipment	(1,096,629)	(128,649)	(102,810)	(249,663)	(1,577,751)
Amortisation of intangible assets	(1,268,247)	(58,478)	(27,597)	(137,815)	(1,492,137)
Reportable segment profit/(loss) before tax	9,070,260	531,040	377,655	(3,726,940)	6,252,015
Share of results of associates	(158,062)	–	–	–	(158,062)
<b>Assets and liabilities</b>					
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

Reconciliations of reportable segment revenues, profit and loss, assets and liabilities and other material items:

	2017 \$	2016 \$
<b>Revenue</b>		
Total revenue for reportable segments	103,975,774	83,538,209
Elimination of inter-segment revenue	(2,809,110)	(2,941,835)
Consolidated revenue	101,166,664	80,596,374
<b>Profit or loss</b>		
Total profit before tax for reportable segments	10,411,310	6,252,015
Share of results of associates	(326,376)	(158,062)
Consolidated profit before tax	10,084,934	6,093,953
<b>Assets</b>		
Total assets for reportable segments	115,118,361	93,298,930
Investment in associates	1,615,885	1,829,085
Consolidated total assets	116,734,246	95,128,015
<b>Liabilities</b>		
Total liabilities for reportable segments	35,481,317	16,532,263

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 23 Operating Segments (continued)

### Information about reportable segments (continued)

	Reportable segment total \$	Adjustment \$	Consolidated total \$
<b>2017</b>			
<b>Other material items</b>			
Finance income	739,992	–	739,992
Capital expenditure	7,466,056	–	7,466,056
Depreciation and amortisation	4,244,425	–	4,244,425
<b>2016</b>			
<b>Other material items</b>			
Finance income	837,836	–	837,836
Capital expenditure	6,614,531	–	6,614,531
Depreciation and amortisation	(3,069,888)	–	(3,069,888)

## 24 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 presents 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.

## 24 Financial Risk Management (continued)

### Credit risk (continued)

At the reporting date, other than bank balances which are placed with regulated financial institutions and investments in debt securities which are managed by fund managers, 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 trade and other receivables at the reporting date by type of counterparty was:

	2017 \$	2016 \$
<b>Group</b>		
Distributors	5,081,646	1,831,422
Retail customers	15,091,511	9,500,412
Others (including amounts due from related parties)	6,238,494	3,964,144
	<u>26,411,651</u>	<u>15,295,978</u>
<b>Company</b>		
Retail customers	69,410	24,325
Others (including amounts due from subsidiaries and related parties)	7,523,253	1,932,322
	<u>7,592,663</u>	<u>1,956,647</u>

The Group's concentration of credit risk relating to trade and other receivables is limited due to the Group's many varied customers and the credit quality of its trade and other receivables is within acceptable risk. The Group's historical experience in the collection of trade and other receivables falls within the recorded allowances. Due to these factors, Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade and other receivables.

### Impairment losses

The ageing of trade and other receivables (excluding accrued revenue) at the reporting date was:

	Gross 2017 \$	Impairment losses 2017 \$	Gross 2016 \$	Impairment losses 2016 \$
<b>Group</b>				
Not past due	25,908,858	-	15,053,440	-
Past due 0 - 30 days	365,490	-	84,163	-
Past due 31 - 120 days	27,200	-	53,051	-
Past due more than 120 days but less than 1 year	29,186	-	31,792	-
Past due more than 1 year	80,917	-	73,532	-
	<u>26,411,651</u>	<u>-</u>	<u>15,295,978</u>	<u>-</u>
<b>Company</b>				
Not past due	<u>7,592,663</u>	<u>-</u>	<u>1,956,647</u>	<u>-</u>

The movement in the allowance for impairment losses in respect of trade and other receivables during the year was as follows:

	2017 \$	2016 \$
At 1 January	-	2,818
Amounts written off	-	(2,818)
At 31 December	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 24 Financial Risk Management (continued)

### Credit risk (continued)

The trade and other receivables that are past due more than 1 year 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 Group believes that, apart from the above, no additional impairment allowance is required in respect of the remaining trade and other receivables as these amounts mainly relate to customers with good credit and payment records with the Group.

The Group limits its exposure to credit risk on 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.

The Group and the Company held cash and cash equivalents of \$33,498,489 and \$8,452,278 respectively at 31 December 2017 (2016: \$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.

### 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.

## 24 Financial Risk Management (continued)

### Liquidity risk (continued)

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 \$
<b>Group</b>					
<b>2017</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	15	33,188,587	(33,188,587)	(33,188,587)	-
Finance lease liabilities	16	18,509	(21,882)	(6,722)	(15,160)
		<u>33,207,096</u>	<u>(33,210,469)</u>	<u>(33,195,309)</u>	<u>(15,160)</u>
<b>2016</b>					
<b>Non-derivative financial liabilities</b>					
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)
		<u>15,546,874</u>	<u>(15,552,453)</u>	<u>(15,530,240)</u>	<u>(22,213)</u>
<b>Company</b>					
<b>2017</b>					
<b>Non-derivative financial liabilities</b>					
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)	-
		<u>14,321,769</u>	<u>(23,552,525)</u>	<u>(23,552,525)</u>	<u>-</u>
<b>2016</b>					
<b>Non-derivative financial liabilities</b>					
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)	-
		<u>15,326,132</u>	<u>(25,280,890)</u>	<u>(25,280,890)</u>	<u>-</u>

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 currency risk of the Group arises mainly from foreign currency investments in financial assets. 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. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 24 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 \$
<b>Group</b>								
<b>31 December 2017</b>								
Available-for-sale financial assets	955,615	-	-	-	409,455	-	-	-
Financial assets at fair value through profit or loss	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
	<u>7,328,426</u>	<u>52,070</u>	<u>57,653</u>	<u>233,744</u>	<u>798,957</u>	<u>23,322</u>	<u>11,451</u>	<u>1,047,874</u>
<b>31 December 2016</b>								
Available-for-sale financial assets	5,212,908	-	-	-	550,281	327,445	-	-
Financial assets at fair value through profit or loss	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	-	-
	<u>12,181,140</u>	<u>80,313</u>	<u>75,032</u>	<u>60,248</u>	<u>866,611</u>	<u>370,549</u>	<u>-</u>	<u>-</u>

### 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 2016.

	Profit or loss	
	2017 \$	2016 \$
<b>Group</b>		
US dollar	318,640	348,412
Euro	2,603	4,016
Pound sterling	2,883	3,752
Australian dollar	11,687	3,012
Chinese yuan	19,475	15,816
Hong Kong dollar	1,166	2,155
New Zealand dollar	573	-
Malaysia ringgit	52,394	-
	<u>409,421</u>	<u>377,163</u>

## 24 Financial Risk Management (continued)

### Market risk (continued)

### Foreign currency risk (continued)

### Sensitivity analysis (continued)

	Equity	
	2017 \$	2016 \$
<b>Group</b>		
US dollar	47,781	260,645
Chinese yuan	20,473	27,514
Hong Kong dollar	-	16,372
	<u>68,254</u>	<u>304,531</u>

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.

### 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:

	2017 \$	2016 \$
Available-for-sale financial assets	1,663,440	3,585,651
Financial assets at fair value through profit or loss	6,414,352	6,001,925
	<u>8,077,792</u>	<u>9,587,576</u>

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 \$3,000 (2016: \$12,000) and \$28,000 (2016: \$29,000) 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 2016.

	2017 Profit or loss		2016 Profit or loss	
	15 bp increase \$	15 bp decrease \$	15 bp increase \$	15 bp decrease \$
<b>Group</b>				
Cash and cash equivalents	463,440	(463,440)	267,812	(267,812)
<b>Company</b>				
Cash and cash equivalents	12,678	(12,678)	5,392	(4,314)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 24 Financial Risk Management (continued)

### Market risk (continued)

#### 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 available-for-sale investment in equity and debt securities at the reporting date would increase equity by \$799,917 (2016: \$1,306,276) and \$799,917 (2016: \$1,306,276) respectively. A 5% increase in the underlying security prices of the Group's and the Company's held-for-trading investment in debt securities at the reporting date would increase profit or loss by \$320,718 (2016: \$300,096) 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.

#### 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 net basis in the normal course of business.

## 24 Financial Risk Management (continued)

### Offsetting financial assets and financial liabilities (continued)

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 \$
<b>Group</b>						
<b>2017</b>						
<b>Financial assets</b>						
Trade receivables and accrued revenue	8	21,896,640	–	21,896,640	(9,994,531)	11,902,109
Uncompleted contracts-buyers	8	9,055,702	–	9,055,702	(2,596,874)	6,458,828
		<u>30,952,342</u>	<u>–</u>	<u>30,952,342</u>	<u>(12,591,405)</u>	<u>18,360,937</u>
<b>Financial liabilities</b>						
Trade receivables and accrued revenue	15	23,976,934	–	23,976,934	(9,994,531)	13,982,403
Uncompleted contracts-sellers	15	8,936,125	–	8,936,125	(2,596,874)	6,339,251
		<u>32,913,059</u>	<u>–</u>	<u>32,913,059</u>	<u>(12,591,405)</u>	<u>20,321,654</u>
<b>2016</b>						
<b>Financial assets</b>						
Trade receivables and accrued revenue	8	20,126,811	–	20,126,811	(8,576,875)	11,549,936
Uncompleted contracts-buyers		–	–	–	–	–
		<u>20,126,811</u>	<u>–</u>	<u>20,126,811</u>	<u>(8,576,875)</u>	<u>11,549,936</u>
<b>Financial liabilities</b>						
Trade payables and accrued operating expenses	15	15,140,295	–	15,140,295	(8,576,875)	6,563,420
Uncompleted contracts-sellers		–	–	–	–	–
		<u>15,140,295</u>	<u>–</u>	<u>15,140,295</u>	<u>(8,576,875)</u>	<u>6,563,420</u>
<b>Company</b>						
<b>2017</b>						
<b>Financial assets</b>						
Trade receivables and accrued revenue	8	249,526	–	249,526	–	249,526
<b>Financial liabilities</b>						
Trade payables and accrued operating expenses	15	8,586,952	–	8,586,952	–	8,586,952
<b>2016</b>						
<b>Financial assets</b>						
Trade receivables and accrued revenue	8	202,852	–	202,852	–	202,852
<b>Financial liabilities</b>						
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.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 24 Financial Risk Management (continued)

### 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 \$20,429,855 as at 31 December 2017 (2016: \$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.

### 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 equity securities and debt securities*

The fair value of investment in equity securities and debt securities is determined by reference to its bid 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.

#### *Other financial assets and liabilities*

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

## 24 Financial Risk Management (continued)

### Determination of fair values (continued)

#### 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	Loans and receivables \$	Available- for-sale \$	Designated at fair value \$	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 available-for-sale financial assets	9	-	15,998,331	-	-	15,998,331	15,998,331	-
Financial assets at fair value through profit or loss	9	-	-	6,414,352	-	6,414,352	6,414,352	-
		-	19,847,163	6,414,352	-	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		
Trade and other receivables	8	37,190,836	-	-	-	37,190,836		
		70,689,325	-	-	-	70,689,325		
Financial liabilities not measured at fair value								
Trade and other payables	15	-	-	-	(33,188,587)	(33,188,587)		
31 December 2016								
Financial assets measured at fair value								
Quoted available-for-sale financial assets	9	-	26,125,527	-	-	26,125,527	26,125,527	-
Financial assets at fair value through profit or loss	9	-	-	6,001,925	-	6,001,925	6,001,925	-
		-	26,125,527	6,001,925	-	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)		

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 24 Financial Risk Management (continued)

### Determination of fair values (continued)

Accounting classifications and fair values (continued)

Note	Total carrying amount					Fair value	
	Loans and receivables \$	Available-for-sale \$	Designated at fair value \$	Other financial liabilities \$	Total \$	Level 1 \$	Level 3 \$
<b>Company</b>							
<b>31 December 2017</b>							
<b>Financial assets measured at fair value</b>							
Unquoted equity shares	9	-	783,140	-	-	783,140	-
Quoted available-for-sale financial assets	9	-	15,998,331	-	-	15,998,331	-
Financial assets at fair value through profit or loss	9	-	-	6,414,352	-	6,414,352	-
		-	16,781,471	6,414,352	-	23,195,823	783,140
<b>Financial assets not measured at fair value</b>							
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	-
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	15	-	-	-	(14,321,769)	(14,321,769)	-
<b>31 December 2016</b>							
<b>Financial assets measured at fair value</b>							
Quoted available-for-sale financial assets	9	-	26,125,527	-	-	26,125,527	-
Financial assets at fair value through profit or loss	9	-	-	6,001,925	-	6,001,925	-
		-	26,125,527	6,001,925	-	32,127,452	-
<b>Financial assets not measured at fair value</b>							
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	-
<b>Financial liabilities not measured at fair value</b>							
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.



## 25 Commitments

As at 31 December 2017, 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	
	2017 \$	2016 \$	2017 \$	2016 \$
Within 1 year	5,751,123	4,051,985	46,980	41,580
Over 1 year but within 5 years	14,415,312	1,724,548	161,904	63,823
More than 5 years	2,838,856	–	–	–
	23,005,291	5,776,533	208,884	105,403

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	
	2017 \$	2016 \$	2017 \$	2016 \$
Contracted but not provided for	1,009,089	205,622	–	–

(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.

## 26 Related Parties

### Key management personnel compensation

Compensation paid or payable to key management personnel comprise:

	Group	
	2017 \$	2016 \$
Fees to Non-Executive and Independent Directors	349,863	349,693
Remuneration paid or payable to key management personnel		
- short-term employment benefits	3,696,548	3,595,726
- employers' contribution to defined contribution plans	252,355	270,306
- share-based payment	963,072	823,050

Directors and other key management personnel also participate in the Company's Share Option Schemes and Performance Share Plan. In 2017, no share option was granted to Directors and other key management personnel (2016: Nil). The number of performance shares granted to Directors and other key management personnel was 915,000 (2016: 699,300) performance shares. The number of those share options outstanding and performance shares to be vested as at 31 December 2017 was 1,918,628 (2016: 2,992,764) share options and 2,217,600 (2016: 1,480,300) performance shares respectively.

Directors and other key management personnel also participate in the Share Option Schemes of a subsidiary. In 2017, 13,355,800 share option was granted to Directors and other key management personnel (2016: Nil). The number of those share options outstanding as at 31 December 2017 was 13,355,800 (2016: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

## 26 Related Parties (continued)

### ***Other related party transactions***

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

	2017 \$	2016 \$
Service fee charged to:		
- Associates	237,000	180,933
Service fee charged by:		
- Associates	661,299	244,363

# ANALYSIS OF SHAREHOLDINGS

as at 7 March 2018

## IFAST CORPORATION LTD.

### STATISTICS OF SHAREHOLDERS AS AT 7 MARCH 2018

Total Number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings)	-	266,022,918
Number of Treasury Shares Held	-	1,521,900
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	0.39	191	0.00
100 – 1,000	181	11.75	146,789	0.06
1,001 – 10,000	853	55.35	4,588,507	1.72
10,001 – 1,000,000	469	30.43	34,209,870	12.86
1,000,001 and above	32	2.08	227,077,561	85.36
	1,541	100.00	266,022,918	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	45,558,164	17.13
2	SPH ASIAONE LTD	40,680,642	15.29
3	CITIBANK NOMINEES SINGAPORE PTE LTD	23,179,680	8.71
4	DBS NOMINEES PTE LTD	18,176,694	6.83
5	LIM WEE KIAN	17,297,820	6.50
6	IFAST FINANCIAL PTE LTD (DEPOSITORY AGENT) #	8,140,099	3.06
7	RHB BANK NOMINEES PTE LTD	8,000,000	3.01
8	RAFFLES NOMINEES (PTE) LTD	7,763,988	2.92
9	OCBC SECURITIES PRIVATE LTD	5,684,900	2.14
10	BPSS NOMINEES SINGAPORE (PTE.) LTD.	4,370,000	1.64
11	KNG LAY HOON DONNA	4,234,408	1.59
12	VIVIAN CHEONG MEI LIN	4,211,762	1.58
13	ACCRETION INVESTMENTS PTE LTD	4,201,458	1.58
14	HSBC (SINGAPORE) NOMINEES PTE LTD	3,820,300	1.44
15	HO CHOON LENG PATRICK	3,345,500	1.26
16	FOO SIANG GUAN	2,828,400	1.06
17	WONG SHAW SENG REGI	2,416,300	0.91
18	MAYBANK KIM ENG SECURITIES PTE LTD	2,231,270	0.84
19	WONG SOO HOW	2,048,712	0.77
20	WONG SOON SHYAN	2,014,750	0.76
<b>TOTAL</b>		<b>210,204,847</b>	<b>79.02</b>

# Exclude 1,521,900 Treasury Shares

\* Percentages are calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings as at 7 March 2018.

# ANALYSIS OF SHAREHOLDINGS

as at 7 March 2018

## SUBSTANTIAL SHAREHOLDERS AS AT 7 MARCH 2018

(as shown in the Register of Substantial Shareholders)

Name of Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
Lim Chung Chun <sup>(i)</sup>	45,558,164	17.13	13,679,380	5.14
Neo Lay Kien <sup>(ii)</sup>	1,477,922	0.56	53,558,164	20.13
Lim Wee Kian <sup>(iii)</sup>	17,297,820	6.50	3,031,800	1.14
SPH AsiaOne Ltd <sup>(iv)</sup>	40,680,642	15.29	-	-
Singapore Press Holdings Limited <sup>(iv)</sup>	-	-	40,680,642	15.29

Notes:

<sup>(i)</sup> Mr Lim Chung Chun is deemed interested in the shares held by Accretion Investments Pte Ltd, RHB Bank Nominees Pte Ltd and his spouse, Mdm Neo Lay Kien.

<sup>(ii)</sup> Mdm Neo Lay Kien is deemed interested in the shares held by RHB Bank Nominees Pte Ltd and her spouse, Mr Lim Chung Chun.

<sup>(iii)</sup> Mr Lim Wee Kian is deemed interested in the shares held by DBS Nominees (Private) Ltd.

<sup>(iv)</sup> SPH AsiaOne Ltd ("SPH AsiaOne") is a wholly-owned subsidiary of Singapore Press Holdings Limited ("SPH"). Accordingly, SPH is deemed to be interested in the shares held by SPH AsiaOne.

\* Percentages are calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) as at 7 March 2017.

## TREASURY SHARES AND SUBSIDIARY HOLDINGS

Number of treasury shares held as at 7 March 2018: 1,521,900

Number of subsidiary holdings held as at 7 March 2018: NIL

Percentage of such holdings against the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings): 0.5721%

## COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL

Based on the information available to the Company as at 7 March 2018, approximately 46.47%\* 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 as at 7 March 2018.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of the Company will be held at Empress Ballroom 4 & 5, Level 2, Carlton Hotel, Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 18 April 2018 at 2.00p.m., for the purpose of transacting the following businesses:

## As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Directors' Statements and the Auditors' Report thereon. **(Resolution 1)**
2. To record the retirement of Mr Low Huan Ping who is retiring pursuant to Article 89 of the Constitution of the Company.  
  
Mr Low Huan Ping, upon his retirement at the conclusion of the AGM, shall cease to be a member of the Board Risk Committee.
3. To record the retirement of Mr Ling Peng Meng who is retiring pursuant to Article 89 of the Constitution of the Company.  
  
Mr Ling Peng Meng, upon his retirement at the conclusion of the AGM, shall cease to be a member of the Board Risk Committee and Remuneration Committee.
4. To re-elect Mr Goh Bing Yuan who is retiring by rotation pursuant to Article 88 of the Constitution of the Company. (See Explanatory Note 1) **(Resolution 2)**
5. To approve a tax exempt (one-tier) final dividend of 0.90 cents per ordinary share for the financial year ended 31 December 2017. **(Resolution 3)**
6. To approve the payment of Directors' fees of \$414,700 to the Non-Executive Directors (including Independent Directors) for the financial year ending 31 December 2018. \$319,000 will be paid in cash on a quarterly basis and \$95,700 will be paid by issuance of equivalent shares to the Non-Executive Directors (including Independent Directors) with the number of shares rounded up to the nearest hundred. (See Explanatory Note 2) **(Resolution 4)**
7. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
8. To transact any other ordinary business which may be properly transacted at an AGM.

## As Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. Authority to issue shares **(Resolution 6)**  
  
"That, pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Directors of the Company to:-  
  
(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or  
(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and  
  
(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

# NOTICE OF ANNUAL GENERAL MEETING

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below). Unless prior shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares and subsidiary holdings is based on the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."  
(See Explanatory Note 3)

## 10. Proposed renewal of the Share Buy Back Mandate

**(Resolution 7)**

"That: -

- (a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchase(s) on the SGX-ST; and/or
  - (ii) off-market purchase(s) is effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

And otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next AGM of the Company is held or required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;
  - (iii) the date on which the authority conferred by the Share Buy Back Mandate is varied or revoked by Shareholders in general meeting;

# NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

“Maximum Percentage” means the number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date);

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share, 120% of the Average Closing Price of the Shares;

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“Date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”  
(See Explanatory Note 4)

## Special Resolution

To consider and, if thought fit, to pass the following resolution as Special Resolution, with or without any modifications:

11. Proposed Amendments to the Constitution Of the Company

**(Resolution 8)**

“That: -

(a) the Regulations contained in the New Constitution of the Company as set out in Appendix dated 27 March 2018 accompanying this Notice of AGM be and are hereby approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, Existing Constitution; and

(b) the Directors of the Company and/ or any of them be and are hereby authorized to complete and to do all such acts and things (including executing all such documents as may be required) as they and/ or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/ or authorized by this resolution.”

## BY ORDER OF THE BOARD

**Chan Lai Yin**

**Lee Pay Lee**

Company Secretaries

Singapore, 27 March 2018



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes on Businesses to be Transacted

1. Mr Goh Bing Yuan is the Executive Director of the Company. The detailed information of Mr Goh Bing Yuan can be found under Directors' Profile section of the Company's Annual Report. There are no relationship (including immediate family relationships) between Mr Goh Bing Yuan and the other Directors and the Company or its 10% shareholders.
2. Subject to the approval of Ordinary Resolution No. 4, the share awards will be granted to all Non-Executive Directors on 1 May 2018 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 actual number of shares to be awarded will be determined by reference to the average closing price of shares for 5 consecutive market days immediately prior to the date of award.
3. The Ordinary Resolution No. 6 proposed in Item 9 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next AGM, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed twenty per cent. (20%) of Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.
4. The Ordinary Resolution No. 7 proposed in Item 10 proposed to give the Company the flexibility to undertake buy backs of the Shares at any time, subject to market conditions, during the period when the Share Buy Back Mandate is in force. A Share Buy Back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Further, amongst others, a Share Buy Back provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also expect that Share Buy Backs may also help mitigate against short term volatility of share price, offset the effects of short term speculation and bolster Shareholders' confidence. Share Buy Backs will also allow the Directors greater control over the Company's share capital structure, dividend payout and cash reserves.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NAV per Share of the Company and the Group, and will only be made when the Directors believe that such buy back would benefit the Company and its Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate via on-market purchases or off-market purchases will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company. Please refer to the Appendix to this Notice of AGM for details.

For the foregoing reasons, the Directors seek to renew the Share Buy Back Mandate, which was approved by Shareholders at the Extraordinary General Meeting held on 21 October 2014 and last renewed at the 2016 AGM held on 11 April 2017.

## Notes

- i. A member is entitled to attend and vote at this meeting and may appoint not more than two proxies to attend and vote in his stead.
- ii. Where a member appoints two proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
- iii. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

# NOTICE OF ANNUAL GENERAL MEETING

- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- iv. A proxy need not be a member of the Company.
- v. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.
- vi. The instrument appointing a proxy must be deposited at the registered office of the Company at 10 Collyer Quay, #26-01, Ocean Financial Centre Singapore 049315 not less than 48 hours before the time appointed for holding the meeting.

## BOOKS CLOSURE DATE

Subject to shareholders' approval at the AGM, the Register of Members and Share Transfer Books of the Company will be closed on 27 April 2018, for the purpose of determining Members' entitlements to a tax exempt (one-tier) final dividend of 0.90 cents per ordinary share for the financial year ended 31 December 2017, to be proposed at the AGM of the Company to be held on 18 April 2018 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 by 5.00 p.m. on 26 April 2018 will be registered to determine Members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 26 April 2018 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved at the AGM, will be paid on 8 May 2018.

## PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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# PROXY FORM

**iFAST**
**iFAST CORPORATION LTD.**

 Registration Number: 200007899C  
 (Incorporated in Singapore)

**IMPORTANT**

- For investors who have used their CPF monies to buy shares of iFAST Corporation Ltd., the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY. CPF investors who wish to vote should contact their CPF Approved Nominees.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Personal Data Privacy**  
By submitting an instrument appointing a proxy (ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 March 2018.

\*I/We \_\_\_\_\_ of \_\_\_\_\_

being \*a member/members of iFAST Corporation Ltd. (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

\*and/or

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or failing him/her, the Chairman of the Annual General Meeting as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at Empress Ballroom 4 & 5, Level 2, Carlton Hotel, Singapore, 76 Bras Basah Road, Singapore 189558 on Wednesday, 18 April 2018 at 2.00 p.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the \*proxy/proxies will vote or abstain from voting at \*his/their discretion.

No.	Ordinary Resolutions	Number of Votes For**	Number of Votes Against**
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 December 2017.		
2.	To re-elect Mr. Goh Bing Yuan as Director.		
3.	To approve a tax exempt (one-tier) final dividend.		
4.	To approve the payment of Directors' fees.		
5.	To re-appoint Messrs KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.		
6.	To authorise Directors to issue shares.		
7.	To approve the renewal of the Share Buy Back Mandate.		
8.	<b>Special Resolution</b> To approve the Amendments to the Constitution of the Company.		

\* Delete accordingly.

 \*\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided.  
 Alternatively, please indicate the number of votes as appropriate.

Total Number of Shares Held

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

 \_\_\_\_\_  
 Signature(s) of Member(s)/Common Seal

**IMPORTANT:** Please read notes overleaf

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.  
“Relevant intermediary” means:
  - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

Fold along this line (1)

AFFIX  
STAMP

The Company Secretary  
**iFAST CORPORATION LTD.**  
10 Collyer Quay  
#26-01, Ocean Financial Centre  
Singapore 049315

Fold along this line (2)

5. The instrument appointing proxy or proxies must be deposited at the registered office of the Company at 10 Collyer Quay, #26-01, Ocean Financial Centre Singapore 049315 not later than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy and deposited at the registered office of the Company at 10 Collyer Quay, #26-01, Ocean Financial Centre Singapore 049315 not later than 48 hours before the time set for the Meeting, failing which the instrument may be treated as invalid.
8. A corporation which is a member of the Company may, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.
10. An investor who buys shares using CPF monies (“CPF Investors”) and/or SRS monies (“SRS Investor”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, if which case, the CPF and SRS Investors shall be precluded from attending the Meeting.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Lim Chung Chun**

Chairman & Chief Executive Officer

### **Yao Chih Matthias**

Lead Independent Director

### **Ling Peng Meng**

Independent Director

### **Kok Chee Wai**

Independent Director

### **Ng Loh Ken Peter**

Independent Director

### **Lim Wee Kian**

Non-Executive Director

### **Low Huan Ping**

Non-Executive Director

### **Goh Bing Yuan**

Executive Director

## AUDIT COMMITTEE

Ng Loh Ken Peter, Chairman

Yao Chih Matthias

Kok Chee Wai

## BOARD RISK COMMITTEE

Yao Chih Matthias, Chairman

Lim Chung Chun

Ling Peng Meng

Ng Loh Ken Peter

Low Huan Ping

## NOMINATING COMMITTEE

Kok Chee Wai, Chairman

Lim Chung Chun

Ng Loh Ken Peter

## REMUNERATION COMMITTEE

Yao Chih Matthias, Chairman

Ling Peng Meng

Kok Chee Wai

## 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 ADVISER

### **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](mailto:ir@ifastfinancial.com)

Website: [www.ifastcorp.com](http://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