

The logo for iFAST, featuring the word "iFAST" in white, lowercase letters with a dot over the 'i', set against a dark teal square background.

iFAST

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

**Unaudited First Quarter 2022
Financial Statements Announcement**

First Quarter 2022 Financial Statements and Dividend Announcement

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

Consolidated income statement for the first quarter ended 31 March 2022

	1Q22 \$'000	Group 1Q21 \$'000	Change %
Revenue	52,528	55,336	(5.1)
Commission and fee paid or payable to financial advisers and securities brokerage expense	(24,375)	(26,840)	(9.2)
	28,153	28,496	(1.2)
Other income	295	955	(69.1)
Depreciation of plant and equipment	(740)	(566)	30.7
Depreciation of right-of-use assets	(1,835)	(1,821)	0.8
Amortisation of intangible assets	(2,381)	(2,020)	17.9
Staff costs	(11,586)	(10,875)	6.5
Other operating expenses	(4,579)	(3,850)	18.9
Results from operating activities	7,327	10,319	(29.0)
Finance income	398	194	105.2
Finance costs	(127)	(169)	(24.9)
Net finance income	271	25	984.0
Share of results of associates, net of tax	(266)	(43)	518.6
Profit before tax	7,332	10,301	(28.8)
Tax expense	(1,658)	(1,541)	7.6
Profit for the period	5,674	8,760	(35.2)
Profit attributable to:			
Owners of the Company	5,736	8,815	(34.9)
Non-controlling interests	(62)	(55)	12.7
Profit for the period	5,674	8,760	(35.2)

NM denotes not meaningful.

FVOCI denotes fair value through other comprehensive income.

FVTPL denotes fair value through profit or loss.

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

Consolidated statement of comprehensive income for the first quarter ended 31 March 2022

	1Q22 \$'000	Group 1Q21 \$'000	Change %
Profit for the period	5,674	8,760	(35.2)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of financial assets-debt investments at FVOCI	118	(4)	NM
Net change in fair value of financial assets-debt investments at FVOCI reclassified to profit or loss	(189)	-	NM
Foreign currency translation differences for foreign operations	(1,332)	305	NM
Share of other comprehensive income of associates	(23)	10	NM
	<u>(1,426)</u>	<u>311</u>	<u>NM</u>
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of financial assets-equity investments at FVOCI	(738)	(193)	282.4
	<u>(738)</u>	<u>(193)</u>	<u>282.4</u>
Other comprehensive income for the period, net of tax	<u>(2,164)</u>	<u>118</u>	<u>NM</u>
Total comprehensive income for the period	<u>3,510</u>	<u>8,878</u>	<u>(60.5)</u>
Attributable to:			
Owners of the Company	3,719	8,929	(58.3)
Non-controlling interests	(209)	(51)	309.8
Total comprehensive income for the period	<u>3,510</u>	<u>8,878</u>	<u>(60.5)</u>

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

	Group		
	1Q22	1Q21	Change
	\$'000	\$'000	%
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>			
Other income			
- Net investment loss / (income)	74	(384)	NM
- Government grant	(353)	(558)	(36.7)
- Miscellaneous income	(16)	(13)	23.1
	(295)	(955)	(69.1)
Finance income			
- Interest income from cash and cash equivalents	(178)	(43)	314.0
- Interest income from clients trade settlement bank accounts	(99)	(144)	(31.3)
- Interest income from investment in financial assets	(98)	(2)	NM
- Interest income from receivables	(23)	(5)	360.0
	(398)	(194)	105.2
Finance costs			
- Interest expense on bank loans	-	1	NM
- Interest expense on lease liabilities	127	168	(24.4)
	127	169	(24.9)
Tax expense			
- Current tax expense	1,675	1,625	3.1
- Deferred tax credit	(17)	(84)	(79.8)
Lease expense	11	10	10.0
Foreign exchange gain, net	(44)	(12)	266.7
Equity-settled share-based payment transactions, included in staff costs	1,866	1,052	77.4
Equity-settled share-based payment transactions, included in other operating expenses	209	62	237.1
Gain on redemption of investment in financial assets at FVOCI, included in investment income	(189)	-	NM
Dividend income on investment in financial assets at FVOCI, included in investment income	(90)	(128)	(29.7)
Net loss / (gain) on investment in financial assets at FVTPL, included in investment income	362	(247)	NM
Dividend income on investment in associates	(9)	(9)	-

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

	Group As at		Company As at	
	31-Mar-22 \$'000	31-Dec-21 \$'000	31-Mar-22 \$'000	31-Dec-21 \$'000
Assets				
Plant and equipment	7,682	7,552	2,138	1,968
Right-of-use assets	14,535	14,198	3,412	4,244
Intangible assets and goodwill	68,202	32,623	22,117	23,332
Subsidiaries	-	-	130,386	57,084
Associates	6,262	6,552	6,747	6,748
Other investments	2,920	2,919	2,535	2,535
Deferred tax assets	2,418	2,448	-	-
Contract costs	4,522	3,241	-	-
Prepayments and others	592	675	11	11
Total non-current assets	107,133	70,208	167,346	95,922
Current tax receivable	156	219	-	-
Other investments	23,718	15,197	17,458	11,046
Contract costs	115	97	-	-
Prepayments and others	4,686	3,107	316	247
Trade and other receivables	79,881	55,126	35,156	30,045
Uncompleted contracts - buyers	97,950	36,800	-	-
Money market funds	25,643	5,751	20,357	-
Cash at bank and in hand	160,852	38,346	4,150	3,173
Total current assets	393,001	154,643	77,437	44,511
Total assets	500,134	224,851	244,783	140,433
Equity				
Share capital	170,984	67,577	170,984	67,577
Reserves	66,765	61,076	26,719	27,256
Equity attributable to owners of the Company	237,749	128,653	197,703	94,833
Non-controlling interests	8,928	(1,018)	-	-
Total equity	246,677	127,635	197,703	94,833
Liabilities				
Deferred tax liabilities	3,049	3,092	2,074	2,221
Lease liabilities	7,647	7,513	125	846
Total non-current liabilities	10,696	10,605	2,199	3,067
Current tax payables	5,166	4,191	-	-
Lease liabilities	8,051	7,665	3,306	3,303
Deposits and balances of customers	78,584	-	-	-
Trade and other payables	55,068	38,016	41,575	39,230
Uncompleted contracts - sellers	95,892	36,739	-	-
Total current liabilities	242,761	86,611	44,881	42,533
Total liabilities	253,457	97,216	47,080	45,600
Total equity and liabilities	500,134	224,851	244,783	140,433

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

Amount repayable in one year or less, or on demand

No amount of the Group's borrowings and debt securities is repayable within one year from the reporting date.

Amount repayable after one year

No amount of the Group's borrowings and debt securities is repayable after one year from the reporting date.

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

	Paragraph	Group	
		1Q22 \$'000	1Q21 \$'000
Cash flows from operating activities			
Profit for the period		5,674	8,760
Adjustments for:			
Depreciation of plant and equipment		740	566
Depreciation of right-of-use assets		1,835	1,821
Amortisation of intangible assets		2,381	2,020
Equity-settled share-based payment transactions		2,075	1,114
Dividend income on investment in financial assets at FVOCI		(90)	(128)
Gain on redemption of investment in financial assets at FVOCI		(189)	-
Net loss / (gain) on investment in financial assets at FVTPL		362	(247)
Dividend income on investment in associates		(9)	(9)
Share of results of associates, net of tax		266	43
Foreign exchange gain, net		(44)	(12)
Net finance income		(271)	(25)
Tax expense		1,658	1,541
		<u>14,388</u>	<u>15,444</u>
Changes in :			
Contract costs		(1,000)	-
Prepayments		(77)	(634)
Trade and other receivables		(1,379)	(674)
Uncompleted contracts - buyers		(54,558)	6,904
Uncompleted contracts - sellers		54,483	(6,868)
Trade and other payables		(3,105)	(984)
		<u>8,752</u>	<u>13,188</u>
Cash generated from operations			
Tax paid		(635)	(621)
Interest received		388	194
Interest paid on bank loans		-	(1)
Interest paid on lease liabilities		(127)	(168)
		<u>8,378</u>	<u>12,592</u>
Cash flows from investing activities			
Purchase of plant and equipment		(714)	(586)
Purchase of intangible assets		(6,292)	(4,753)
Additional investment in associates		-	(375)
Dividend from associates		18	18
Net cash from acquisition of subsidiaries	17.3	49,534	-
Purchase of investment in financial assets		(37,184)	(40,280)
Proceeds from redemption of investment in financial assets		28,924	36,751
Dividends received from investment in financial assets at FVOCI		1	1
		<u>34,287</u>	<u>(9,224)</u>
Cash flows from financing activities			
Proceeds from placement of new shares, net		103,334	-
Proceeds from exercise of share options		73	280
Drawdown of bank loans		-	5,000
Repayment of bank loans		-	(5,000)
Principal element of lease payments		(1,843)	(1,681)
		<u>101,564</u>	<u>(1,401)</u>
Net increase in cash and cash equivalents			
		<u>144,229</u>	<u>1,967</u>
Cash and cash equivalents at beginning of the period		44,097	36,441
Effect of exchange rate fluctuations on cash held		(1,831)	160
		<u>186,495</u>	<u>38,568</u>
Cash and cash equivalents at end of the period			

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

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total	Non-controlling interests	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 January 2022	67,577	(4,019)	(1,542)	3,012	12,316	(2,010)	(160)	53,479	128,653	(1,018)	127,635
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	5,736	5,736	(62)	5,674
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(620)	-	-	-	-	-	-	(620)	-	(620)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(189)	-	-	-	-	-	-	(189)	-	(189)
Foreign currency translation differences for foreign operations	-	-	(1,185)	-	-	-	-	-	(1,185)	(147)	(1,332)
Share of other comprehensive income of associates	-	(1)	(23)	-	-	-	-	-	(23)	(1)	(23)
Total other comprehensive income	-	(809)	(1,208)	-	-	-	-	-	(2,017)	(147)	(2,164)
Total comprehensive income for the period	-	(809)	(1,208)	-	-	-	-	5,736	3,719	(209)	3,510
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	73	-	-	-	-	-	-	-	73	-	73
Issue of ordinary shares related to share placement	105,000	-	-	-	-	-	-	-	105,000	-	105,000
Share issuance expenses	(1,666)	-	-	-	-	-	-	-	(1,666)	-	(1,666)
Equity-settled share-based payment transactions	-	-	-	49	1,921	-	-	-	1,970	-	1,970
Total contributions by and distribution to owners	103,407	-	-	49	1,921	-	-	-	105,377	-	105,377
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	10,155	10,155
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	10,155	10,155
Total transactions with owners	103,407	-	-	49	1,921	-	-	-	105,377	10,155	115,532
At 31 March 2022	170,984	(4,828)	(2,750)	3,061	14,237	(2,010)	(160)	59,215	237,749	8,928	246,677

(1) Amount less than \$1,000

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

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Performance share reserve \$'000	Equity reserve \$'000	Reserve for own shares \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 January 2021	66,976	(2,873)	(1,927)	2,825	7,058	(2,010)	(357)	34,417	104,109	(709)	
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	8,815	8,815	(55)	8,760
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(201)	-	-	-	-	-	-	(201)	4	(197)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	1	-	-	-	-	-	(1)	-	-	-
Foreign currency translation differences for foreign operations	-	-	305	-	-	-	-	-	305	⁽¹⁾	305
Share of other comprehensive income of associates	-	⁽¹⁾	10	-	-	-	-	-	10	-	10
Total other comprehensive income	-	(200)	315	-	-	-	-	(1)	114	4	118
Total comprehensive income for the period	-	(200)	315	-	-	-	-	8,814	8,929	(51)	8,878
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	280	-	-	-	-	-	-	-	280	-	280
Equity-settled share-based payment transactions	-	-	-	72	994	-	-	-	1,066	-	1,066
Total contributions by and distribution to owners	280	-	-	72	994	-	-	-	1,346	-	1,346
Total transactions with owners	280	-	-	72	994	-	-	-	1,346	-	1,346
At 31 March 2021	67,256	(3,073)	(1,612)	2,897	8,052	(2,010)	(357)	43,231	114,384	(760)	113,624

⁽¹⁾ Amount less than \$1,000

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

	Company						
	<u>Attributable to owners of the Company</u>						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2022	67,577	(450)	1,839	12,316	(160)	13,711	94,833
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(1,678)	(1,678)
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(621)	-	-	-	-	(621)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(189)	-	-	-	-	(189)
Total other comprehensive income	-	(810)	-	-	-	-	(810)
Total comprehensive income for the period	-	(810)	-	-	-	(1,678)	(2,488)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	73	-	-	-	-	-	73
Issue of ordinary shares related to share placement	105,000	-	-	-	-	-	105,000
Share issuance expenses	(1,666)	-	-	-	-	-	(1,666)
Equity-settled share-based payment transactions	-	-	30	1,921	-	-	1,951
Total contributions by and distribution to owners	103,407	-	30	1,921	-	-	105,358
Total transactions with owners	103,407	-	30	1,921	-	-	105,358
At 31 March 2022	170,984	(1,260)	1,869	14,237	(160)	12,033	197,703

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

	Company						
	Attributable to owners of the Company						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2021	66,976	(939)	1,718	7,058	(357)	16,592	91,048
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(1,232)	(1,232)
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(256)	-	-	-	-	(256)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	1	-	-	-	(1)	-
Total other comprehensive income	-	(255)	-	-	-	(1)	(256)
Total comprehensive income for the period	-	(255)	-	-	-	(1,233)	(1,488)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	280	-	-	-	-	-	280
Equity-settled share-based payment transactions	-	-	29	994	-	-	1,023
Total contributions by and distribution to owners	280	-	29	994	-	-	1,303
Total transactions with owners	280	-	29	994	-	-	1,303
At 31 March 2021	67,256	(1,194)	1,747	8,052	(357)	15,359	90,863

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

The number of shares in issue in the Company as at 31 March 2022 excluding treasury shares and subsidiary holdings was 292,907,513 ordinary shares (31 December 2021: 276,946,913 ordinary shares). The movements in the Company's share capital during the first quarter ended 31 March 2022 were as follows:

	Number of ordinary shares
As at 31 December 2021	276,946,913
Exercise of share options	136,700
Vesting of performance shares	1,823,900
Purchase of treasury shares	-
Re-issue of treasury shares	-
Issue of ordinary shares related to share placement	14,000,000
As at 31 March 2022	<u><u>292,907,513</u></u>

iFAST Employee Share Option Scheme and iFAST Share Option Scheme 2013 ("iFAST ESOS")

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

	Number of share options
As at 31 December 2021	3,435,406
Share options granted	-
Exercised	(136,700)
Forfeited	-
As at 31 March 2022	<u><u>3,298,706</u></u>

As at 31 March 2022, the number of outstanding share options under the iFAST ESOS was 3,298,706 (31 March 2021: 3,959,206).

iFAST Corporation Performance Share Plan ("iFAST PSP")

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

	Number of performance shares
As at 31 December 2021	8,796,000
Performance shares granted but not vested	2,768,300
Vested	(1,823,900)
Forfeited	(15,500)
As at 31 March 2022	<u>9,724,900</u>

On 1 March 2022, the Company granted the share awards of 2,768,300 shares pursuant to the iFAST PSP. As at 31 March 2022, the number of outstanding performance shares granted but not vested under the iFAST PSP was 9,724,900 (31 March 2021: 9,199,300).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 31 December 2021	195,600
Purchased by way of on-market acquisition	-
Purchased by way of off-market acquisition	-
Re-issued	-
As at 31 March 2022	<u>195,600</u>

As at 31 March 2022, 195,600 (31 March 2021: 436,100) treasury shares were held by the Company that may be re-issued upon the exercise of share options under the iFAST ESOS and upon the vesting of performance shares under the iFAST PSP or for other uses pursuant to the Share Buy Back Mandate of the Company renewed at the Annual General Meeting held on 23 April 2021.

The Company has no subsidiary holdings as at 31 March 2022 and 31 March 2021.

As at 31 March 2022, the treasury shares held by the Company represented 0.1% (31 March 2021: 0.2%) of the total number of issued shares excluding treasury shares and subsidiary holdings.

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

	As at 31-Mar-22	As at 31-Dec-21
Total number of issued shares excluding treasury shares and subsidiary holdings	<u>292,907,513</u>	<u>276,946,913</u>

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

There were no sales, transfer, cancellation and/or use of treasury shares during the first quarter ended 31 March 2022.

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

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2022.

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

The financial information have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") including *SFRS(I) 1-34 Interim Financial Reporting*, and the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year, except for those disclosed under paragraph 5 below.

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

The Group and the Company have adopted the new and revised SFRS(I)s, and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2022. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

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

	1Q22	1Q21
(i) Based on weighted average number of ordinary shares on issue		
- Weighted average number of ordinary shares	291,627,113	273,761,821
Basic earnings per share (cents)	1.97	3.22
(ii) On a fully diluted basis of ordinary shares		
- Adjusted weighted average number of ordinary shares	301,504,075	285,745,106
Diluted earnings per share (cents)	1.90	3.09

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

	Group		Company	
	31-Mar-22	31-Dec-21	31-Mar-22	31-Dec-21
Net asset value per ordinary share (cents)	81.17	46.45	67.50	34.24

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Income Statement

Revenue

Asia ex Japan equities experienced sharp declines in the first quarter of 2022 ("1Q22") due to Russia's invasion of Ukraine as well as rising inflationary pressures.

Amid this volatile and challenging market environment in 1Q22, the Group's net inflows of client assets still remained healthy at \$0.67 billion in the quarter. The Group's assets under administration ("AUA") dropped 2.0% quarter-on-quarter ("QoQ") to \$18.63 billion as at 31 March 2022.

The Group's revenue decreased by 5.1% year-on-year ("YoY") to \$52.53 million in 1Q22. The following table shows the breakdown of the Group's revenue by two main business divisions, namely Business-to-Customer ("B2C") and Business-to-Business ("B2B").

	1Q22	Group	Change
	\$'000	1Q21	
Business-to-Customer business	8,764	13,206	(33.6)
Business-to-Business business	43,764	42,130	3.9
Total revenue	52,528	55,336	(5.1)

Commission and fee paid or payable to financial advisers and securities brokerage expense

Securities brokerage expense refers to brokerage fee paid to third party brokers for execution of clients' trade in securities listed on overseas exchanges of which the Group is not a member.

For B2B division, a substantial portion of front-end commission income and advisory fee from B2B customers is payable to financial advisers.

Commission and fee paid or payable to financial advisers and securities brokerage expense decreased by 9.2% YoY to \$24.38 million in 1Q22. This was due mainly to a decrease in clients' trade volume in stocks especially in B2C division and a decrease in clients' subscription volume in unit trusts ("UT") in B2B division in 1Q22 compared to the same quarter last year ("1Q21").

Net revenue

Net revenue represents revenue earned by the Group after commission and fee paid or payable to financial advisers and securities brokerage expense. The Group's net revenue decreased slightly by 1.2% YoY to \$28.15 million in 1Q22, with the breakdown by business division as follows.

	1Q22	Group	Change
	\$'000	1Q21	%
		\$'000	
Business-to-Customer business	8,526	12,489	(31.7)
Business-to-Business business	19,627	16,007	22.6
Total net revenue	28,153	28,496	(1.2)

For B2C division, its net revenue decreased by 31.7% YoY in 1Q22. This was due mainly to decreases in transaction processing fees resulting from significantly-decreased investment subscription from customers in exchange-listed securities, and service fees arising from the provision of currency conversion administration services resulting from lower clients' trading volume of securities listed on foreign exchanges affected by the negative market sentiment in the quarter, partially offset by increased recurring fee income arising from higher average AUA in UT including portfolio management services over the period. The Group's average AUA in UT of B2C division still increased by 6.7% YoY in 1Q22 and the B2C division's average AUA in portfolio management services grew 24.7% YoY in the quarter.

For B2B division, its net revenue was up 22.6% YoY in 1Q22. This was due mainly to YoY increases in transaction processing fees resulting from increased investment subscription from institution customers in exchange-listed securities, increased recurring fee income arising from higher average AUA in UT including portfolio management services over the period, and increases in revenue from business units of insurance and e-Pension in B2B division in the quarter. The Group's average AUA in UT of B2B division grew 20.1% YoY in 1Q22 and the B2B division's average AUA in portfolio management services grew 84.2% YoY in the quarter.

The following table shows the breakdown of the Group's net revenue, by recurring and non-recurring basis. The Group's business model gives a stream of reliable recurring revenue which is based on AUA. In 1Q22, 70.0% of net revenue is derived from recurring net revenue and 30.0% of net revenue is from non-recurring net revenue.

	1Q22	Group	Change
	\$'000	1Q21	%
		\$'000	
Recurring net revenue	19,719	18,117	8.8
Non-recurring net revenue	8,434	10,379	(18.7)
Total net revenue	28,153	28,496	(1.2)

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, wrap fees, portfolio service management fees and net interest income arising from clients' AUA. The YoY increase in recurring net revenue in 1Q22 was due mainly to an increase in average AUA in UT for both B2B business and B2C business in the period, substantially benefitting from new inflows of investments from customers over the period, which was partially offset by the lower net interest income from arising from clients' AUA due to the lower interest rate environment in the period. The total inflows of customer investments net of outflows of customer investments were \$0.67 billion in 1Q22. The Group's average AUA in UT grew 17.1% YoY in the quarter.

Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commission or transaction processing fee; service fee arising from the provision of currency conversion administration services to customers and the provision of administration services to financial advisory firms; brokerage service fee from arranging for insurance policies, advertising fee earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution development fee from provision of IT Fintech solutions to business partners. In 1Q22, the decrease in non-recurring net revenue was due mainly to decreases in transaction processing fees resulting from decreased investment subscription from B2C customers in exchange-listed securities, and service fees arising from the provision of currency conversion administration services resulting from lower B2C clients' trading volume of securities listed on foreign exchanges affected by the negative market sentiment in the quarter, partially offset by increases in transaction processing fees resulting from increased investment subscription from B2B institution customers in exchange-listed securities and revenue from the newer business unit of e-Pension in B2B division in the quarter.

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

	1Q22	Group	Change
	\$'000	1Q21	%
	\$'000	\$'000	%
Singapore	17,269	19,172	(9.9)
Hong Kong	6,397	5,201	23.0
Malaysia	3,978	3,383	17.6
China	509	740	(31.2)
Total net revenue	<u>28,153</u>	<u>28,496</u>	<u>(1.2)</u>

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's net revenue. Resulting from our continuous investments in building up a strong integrated digital wealth management platform in recent years, the broadened range and depth of services we provide continue attracting new customers in the markets, and also further diversify our revenue streams and increase our business resilience over the period.

In Singapore, the net revenue decreased by 9.9% YoY in 1Q22 due mainly to a decline in performance of B2C division which was negatively impacted by the volatile and challenging market environment in 1Q22. The trade volume from B2C customers in exchange-listed stock securities dropped approximately 45% compared to 1Q21. This led to the consequent reduction of approximately 50% YoY in the non-recurring net revenue of B2C division in the quarter. The above is offset substantially by increases in recurring net revenue especially from B2B division in the quarter. With the continued enhancement and upgrading of products and services provided on the B2B platform, the number of B2B business partners grew approximately 13% YoY in the period. The Singapore operation's average AUA in UT of B2B division increased by 22.6% YoY in 1Q22 while the average AUA in UT of B2C division increased by 8.6% YoY in the quarter. Overall, the AUA of Singapore operation decreased by 2.7% QoQ, but still grew 18.7% YoY as at 31 March 2022.

In Hong Kong, the number of Covid-19 cases spiked to its highest level in 1Q22, and the investment sentiment in Hong Kong market continually remained weak in the quarter. The AUA in bonds of Hong Kong operation continued to fall in the quarter as a result of bond redemptions and decline in bond market value, which was negatively impacted by the concern of defaults in Chinese property bonds in the market. However, the addition of Shenzhen/Shanghai connect and SGX trading to Hong Kong platforms in recent quarters has attracted clients to take some unique sector opportunities beyond the US and Hong Kong ETF/Stock markets for their portfolio allocation adjustment. Besides, additional income from insurance business unit and the newer e-Pension business unit has been contributing to Hong Kong operation's net revenue growth of 23.0% YoY in the quarter. Overall, the AUA of Hong Kong operation decreased by 7.6% QoQ and 8.6% YoY as at 31 March 2022.

In Malaysia, the clients' subscriptions in UT have slowed down in 1Q22 due to the negative market sentiment in global financial markets during the quarter. However, following the launch of US and Hong Kong stock trading services in July 2021 and SGX trading services in December 2021, the clients' trade volume in exchange-listed securities continued to grow in 1Q22. In addition, the client's trade demand in bonds remained resilient in the quarter. Overall, the AUA of Malaysia operation increased by 8.4% QoQ and 32.2% YoY as at 31 March 2022, and the net revenue of Malaysia operation increased by 17.6% YoY in 1Q22.

In 1Q22, the Chinese equities were negatively affected by renewed Covid-19 outbreaks in China leading to new lockdowns in some major cities. The net revenue of China operation decreased by 31.2% YoY in 1Q22. This was due mainly to lower non-recurring net revenue on lower investment subscription amounts from clients in the quarter, partially offset by the increased recurring net revenue on the higher AUA over the period. Overall, the AUA of China operation decreased by 13.1% QoQ, but increased by 8.3% YoY as at 31 March 2022.

Other income

Other income decreased by \$0.66 million or 69.1% from \$0.96 million in 1Q21 to \$0.30 million in 1Q22. This was due to significant market price drops in some investments in debt securities measured at FVTPL resulting from concerns of defaults in Chinese property bonds in recent quarters, and lower financial supports from the Government of Singapore received in 1Q22.

Operating expenses

Overall, the Group's total operating expenses increased by \$1.99 million or 10.4% from \$19.13 million in 1Q21 to \$21.12 million in 1Q22. This was in line with the Group's increased efforts in enhancing its platform capabilities including improving the range and depths of investment products and services being provided to customers in the existing markets including China market over the period so as to strengthen the Fintech Ecosystem of the Group and further scale up the businesses of the Group continuously.

Depreciation of plant and equipment increased by \$0.17 million or 30.7% from \$0.57 million in 1Q21 to \$0.74 million in 1Q22. Amortisation of intangible assets increased by \$0.36 million or 17.9% from \$2.02 million in 1Q21 to \$2.38 million in 1Q22. These were due mainly to additions of plant and equipment and intangible assets (including internally-developed IT software assets) over the period, to support business expansion in the markets that the Group operates in and to continuously strengthen the Fintech capabilities of our investment platforms as well as the Fintech Ecosystem of the Group.

Depreciation of right-of-use assets remained flat in 1Q22 as compared to 1Q21, as the cost amount of right-of-use assets remained flat at beginning of 2022 as compared to the one at beginning of 2021.

Staff costs increased by \$0.71 million or 6.5% from \$10.88 million in 1Q21 to \$11.59 million in 1Q22. This was due mainly to the annual salary increment adjusted in 2022, increased number of staff over the period, the increased equity-settled share-based payment transaction costs resulting from another batch of performance shares granted to the Group's employees in the quarter.

Other operating expenses increased by \$0.73 million or 18.9% from \$3.85 million in 1Q21 to \$4.58 million in 1Q22. This was due mainly to additional sales incentive awarded to in-house wealth advisers in line with their good performance over the period, increased spending in IT and related technology security services in the period to support the continual growth of the Group's business ahead, additional operating costs incurred to support the Hong Kong pension project and some transaction costs incurred for the acquisition of UK-based subsidiaries in the quarter.

Net finance income

Finance income increased by \$0.21 million or 105.2% from \$0.19 million in 1Q21 to \$0.40 million in 1Q22. This was due mainly to higher interest income from higher cash and cash equivalent amounts and higher amounts of debt investments measured at FVOCI, in which the share placement proceeds received in January 2022 were parked before the planned deployments, in the quarter. The above was partially offset by lower interest income from clients trade settlement bank accounts in the quarter due to the lower interest rate environment since June 2021.

Finance costs decreased by \$0.04 million or 24.9% from \$0.17 million in 1Q21 to \$0.13 million in 1Q22. This was due mainly to lower interest expense on lease liabilities in line with the lower carrying amount of leasing liabilities net of lease payments over the period.

Overall, net finance income increased by \$0.24 million from \$0.03 million in 1Q21 to \$0.27 million in 1Q22.

Share of results of associates, net of tax

The Group's share of results after tax of associates comprised share of results of its associates, namely Providend Holding Pte Ltd ("Providend"), iFAST India Holdings Pte Ltd, Raffles Family Office China Ltd ("Raffles China") and Harveston Capital Sdn Bhd, which was acquired in 2021, in the period.

The Group's share of loss after tax of associates increased by \$0.06 million from \$0.04 million in 1Q21 to \$0.27 million in 1Q22, due mainly to some decline in financial performance of Providend (a financial advisory company incorporated in Singapore) affected by the negative investment sentiment in the quarter.

There was no significant YoY change in the results of iFAST India Holdings Pte Ltd over the year. iFAST India Holdings Pte Ltd is an ultimate holding company of iFAST Financial India Pvt Ltd ("iFAST India"), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. iFAST India had a AUA of Indian Rupee 41.15 billion (equivalent to \$735 million) as at 31 March 2022, growing at a 5-year compound annual growth rate ("CAGR") of 17.2%. The Group's effective shareholding in iFAST India has been increased from 39.4% as at 31 March 2021 to 39.6% as at 31 March 2022, following some additional investments in India business over the period.

Profit for the period, after non-controlling interests

The following table shows the breakdown of the Group's profit for the period by geographical segments.

	1Q22 \$'000	Group 1Q21 \$'000	Change %
Singapore	5,371	8,689	(38.2)
Hong Kong	2,189	1,586	38.0
Malaysia	1,757	1,523	15.4
China	(1,654)	(1,399)	18.2
Other ⁽¹⁾	(269)	(43)	525.6
Profit before tax ⁽²⁾	7,394	10,356	(28.6)
Tax expense	(1,658)	(1,541)	7.6
Net profit after tax ⁽²⁾	5,736	8,815	(34.9)

Notes:

(1) Referring to share of results of associates.

(2) Attributable to owners of the Group.

The Group's profit before tax decreased by \$2.97 million or 28.6% from \$10.36 million in 1Q21 to \$7.39 million in 1Q22, due mainly to the combined effects of a short-term decline of 1.2% YoY in net revenue of the Group due to the volatile and challenging market environment in 1Q22 and an increase of 10.4% YoY in operating expenses due to the Group's committed efforts in enhancing platform Fintech capabilities and improving the range of investment products and services over the period so as to suit the ongoing market demand.

Tax expense increased by \$0.12 million or 7.6% YoY in 1Q22, due mainly to higher tax expense recognised in Hong Kong operation in the quarter resulting from unused tax losses brought forward from previous years having been utilised in Hong Kong operation in the year of 2021.

Overall, the Group's net profit decreased by 34.9% YoY from \$8.82 million in 1Q21 to \$5.74 million in 1Q22.

Statement of Financial Position

The shareholders' equity of the Group increased to \$237.75 million as at 31 March 2022 from \$128.65 million as at 31 December 2021. This was due mainly to an increase of \$103.33 million in share capital resulting from share placement conducted by the Company in January 2022 and contribution of net profit generated in 1Q22, partially offset by decreases in fair value of some financial assets at FVOCI and decreases in reserve from translation of foreign operations resulting from depreciation of Hong Kong dollar, Malaysian Ringgit and Pound Sterling in the quarter.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans (if any), increased to \$210.21 million as at 31 March 2022 from \$59.29 million as at 31 December 2021. This was due mainly to net cash generated from operating activities in 1Q22, proceeds of \$103.33 million from share placement conducted in January 2022 and net cash of \$49.53 million from acquisition of subsidiaries (based in UK) recorded in March 2022, partially offset by additions of plant and equipment and intangible assets and office lease payments in the period.

Current assets increased to \$393.00 million as at 31 March 2022 from \$154.64 million as at 31 December 2021. This was due mainly to increases in receivables from uncompleted contracts on securities dealing at end of the quarter, increases in cash and cash equivalents over the period and additional current assets acquired from the acquisition of subsidiaries (based in UK) in March 2022.

Non-current assets increased to \$107.13 million as at 31 March 2022 from \$70.21 million as at 31 December 2021. This was due mainly to some additional project setup costs incurred for the Hong Kong pension project contract in the quarter and goodwill of approximately \$37 million arising from the acquisition of subsidiaries (based in UK) recognised in March 2022.

Total liabilities increased to \$253.46 million as at 31 March 2022 from \$97.22 million as at 31 December 2021. This was due mainly to increases in payables from uncompleted contracts on securities dealing at end of the quarter, higher tax payable amounts accrued in the period and additional liabilities assumed from the acquisition of subsidiaries (based in UK) in March 2022.

Consolidated Statement of Cash Flows

Net cash from operating activities decreased from \$12.59 million in 1Q21 to \$8.38 million in 1Q22, due mainly to lower cash generated from operating activities in the quarter and some working capital movements cross quarters.

Net cash used in investing activities was \$9.22 million in 1Q21 while net cash from investing activities was \$34.29 million in 1Q22. This was due mainly to net cash of \$49.53 million from acquisition of subsidiaries (based in UK) recorded in March 2022, partially offset by additional net investments in financial assets and higher purchase amounts of plant and equipment and intangible assets paid in the quarter.

Net cash used in financing activities was \$1.40 million in 1Q21 while net cash from financing activities was \$101.56 million in 1Q22. This was due mainly to proceeds of \$103.33 million from share placement conducted in January 2022.

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

No forecast or prospect statement was previously provided.

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

Global stock market conditions went from being very positive in 1Q2021 to being very poor in 1Q2022, resulting in a weak start to the year 2022 for the Group. In 1Q2022, net revenue declined 1.2% YoY to \$28.15 million as an 18.7% YoY decline in non-recurring net revenue offset an 8.8% YoY increase in recurring net revenue.

Operating expenses increased 10.4% YoY to \$21.12 million in 1Q2022 as the Group continues to invest and prepare for our next phase of growth under our Four-Year Plan. As a result, net profit declined 34.9% YoY to \$5.74 million in 1Q2022.

The Group's assets under administration ("AUA") declined 2.0% QoQ to \$18.63 billion as at 31 March 2022, as declines in stocks and bond prices globally offset a positive net inflow of \$669 million during the quarter. The Group's AUA grew a healthy 15.6% YoY as at 31 March 2022.

While it is clear that the wealth management platform business that the Group is building has very strong long-term growth drivers, in the short term, financial market conditions can cause interruptions along the growth path. The year of 2022 looks likely to be one of those years.

The acquisition of the UK-based BFC Bank was completed on 28 March 2022, and the bank has been renamed as iFAST Global Bank. As guided previously, we expect iFAST Global Bank to contribute \$4.0 million in losses to the Group in 2022. We are however targeting to achieve profitability for iFAST Global Bank starting 2024.

Overall, we expect the Group to see a moderate growth in net revenue in 2022 as a whole, but also expects to see some declines in profitability.

We however expect to see a robust ramp up in the Group's profitability between 2023 to 2025 as our new ePension division in Hong Kong becomes a strong contributor.

Beyond 2024, we expect iFAST Global Bank to also become an additional important growth driver for the Group, as the Group makes progress towards having a truly global business model.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Interim
Dividend type	Cash
Dividend rate	1.00 cents per ordinary share
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	Interim
Dividend type	Cash
Dividend rate	1.00 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The interim dividend will be paid on 3 June 2022.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 25 May 2022 for the preparation of dividend warrants to the first interim dividend. Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 24 May 2022 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 will be registered to determine Members' entitlements to the first interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares in the Company as at 5.00 p.m. on the Record Date will be entitled to the first interim dividend.

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

Not applicable.

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

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

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

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the quarter ended 31 March 2022 to be false or misleading in any material aspect.

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

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

16. Segmented revenue and results for business segments or geographical segments (of the group), with comparative information for the corresponding period of the immediately preceding financial year.

Geographical segments	Singapore \$'000	Hong Kong \$'000	Malaysia \$'000	China \$'000	United Kingdom \$'000	Others \$'000	Total \$'000
1Q22							
Revenue and expenses							
Revenue from external customers	33,707	11,626	6,473	722	-	-	52,528
Inter-segment revenue	978	67	921	48	-	-	2,014
Total revenue	<u>34,685</u>	<u>11,693</u>	<u>7,394</u>	<u>770</u>	-	-	<u>54,542</u>
Depreciation of plant and equipment	(456)	(78)	(135)	(71)	-	-	(740)
Depreciation of right-of-use assets	(839)	(567)	(144)	(285)	-	-	(1,835)
Amortisation of intangible assets	(2,195)	(20)	(156)	(10)	-	-	(2,381)
Reportable segment profit / (loss) before tax	5,368	2,189	1,757	(1,716)	-	-	7,598
Share of results of associates	-	-	-	-	-	(266)	(266)
Assets and liabilities							
Reportable segment assets	218,787	51,070	28,283	6,952	188,780	-	493,872
Equity-accounted associates	-	-	-	-	-	6,262	6,262
Capital expenditure	1,441	76	236	15	-	-	1,768
Reportable segment liabilities	<u>102,747</u>	<u>24,633</u>	<u>13,505</u>	<u>4,938</u>	<u>107,634</u>	-	<u>253,457</u>
1Q21							
Revenue and expenses							
Revenue from external customers	35,750	11,723	6,882	981	-	-	55,336
Inter-segment revenue	1,187	85	782	25	-	-	2,079
Total revenue	<u>36,937</u>	<u>11,808</u>	<u>7,664</u>	<u>1,006</u>	-	-	<u>57,415</u>
Depreciation of plant and equipment	(304)	(93)	(122)	(47)	-	-	(566)
Depreciation of right-of-use assets	(839)	(585)	(162)	(235)	-	-	(1,821)
Amortisation of intangible assets	(1,932)	(20)	(65)	(3)	-	-	(2,020)
Reportable segment profit / (loss) before tax	8,689	1,587	1,523	(1,455)	-	-	10,344
Share of results of associates	-	-	-	-	-	(43)	(43)
Assets and liabilities							
Reportable segment assets	179,857	40,293	19,107	8,351	-	-	247,608
Equity-accounted associates	-	-	-	-	-	6,324	6,324
Capital expenditure	1,896	15	238	4	-	-	2,153
Reportable segment liabilities	<u>103,639</u>	<u>23,650</u>	<u>8,013</u>	<u>5,006</u>	-	-	<u>140,308</u>

17. Other notes to consolidated financial statements

17.1 Other investments - investments in financial instruments

	Group	
	31-Mar-22	31-Dec-21
	\$'000	\$'000
<u>Non-current</u>		
Financial assets at FVOCI		
- Unquoted equity shares	2,920	2,919
	<hr/>	<hr/>
<u>Current</u>		
Quoted financial assets at FVOCI		
- Debt investments	6,936	96
- Equity investments	7,342	7,993
	<hr/>	<hr/>
	14,278	8,089
Quoted financial assets at FVTPL		
- Debt investments	9,241	7,108
- Other financial instruments	199	-
	<hr/>	<hr/>
	9,440	7,108
	<hr/>	<hr/>
	23,718	15,197
	<hr/>	<hr/>

17.2 Fair value measurement

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).

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group:

Investments in financial instruments

The fair value of investments in financial instruments is determined by reference to its bid price, recent transaction price or cost at the reporting date.

Intra-group financial guarantees

The value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the bank with these guarantees made available, with the estimated rates that the banks would have charged had these guarantees not been available.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	31-Mar-22			31-Dec-21		
	Carrying amount \$'000	Fair value - Level 1 \$'000	Fair value - Level 3 \$'000	Carrying amount \$'000	Fair value - Level 1 \$'000	Fair value - Level 3 \$'000
Financial assets measured at fair value						
Unquoted equity shares	2,920	-	2,920	2,919	-	2,919
Quoted financial assets at FVOCI	14,278	14,278	-	8,089	8,089	-
Quoted financial assets at FVTPL	9,440	9,440	-	7,108	7,108	-
Money market funds	25,643	25,643	-	5,751	5,751	-
Financial assets not measured at fair value						
Cash at bank and in hand	160,852			38,346		
Uncompleted contracts - buyers	97,950			36,800		
Trade and other receivables	79,881			55,126		
Financial liabilities not measured at fair value						
Uncompleted contracts - sellers	95,892			(36,739)		
Deposits and balances of customers	78,584			-		
Trade and other payables	55,068			(38,016)		

17.3 Acquisition of subsidiaries

At end of March 2022, the Company completed its acquisition of and investment in the UK-based BFC Bank Limited through subscription of 1,700,000 new ordinary shares in the capital of Eagles Peak Holdings Limited ("EPHL"), constituting 85.0% shareholding in the enlarged total share capital of EPHL, for a total investment amount of £40,000,000 (equivalent to \$72,054,900 based on the actual currency conversion exchange rate on the payment date) in cash.

The acquisition had the following effects on the Group's assets and liabilities on acquisition date, measured on a provisional basis:

	Recognised value on acquisition \$'000
Plant and equipment	269
Other investments	201
Prepayments	1,551
Trade and other receivables	23,710
Uncompleted contracts - buyers	6,781
Cash at bank and in hand	121,589
Deposits and balances of customers	(79,748)
Uncompleted contracts - sellers	(4,822)
Trade and other payables	(24,794)
Goodwill upon acquisition	37,473
Less: Non-controlling interest of acquired subsidiaries	(10,155)
Fair value of net assets acquired	<u>72,055</u>
	\$'000
Consideration paid in cash	(72,055)
Cash and cash equivalent acquired	<u>121,589</u>
Net cash from acquisition of subsidiaries	<u>49,534</u>

The financial results and financial positions of these acquired subsidiaries post the acquisition are presented under the geographical segment of United Kingdom.

17.4 Held under trust

Certain subsidiaries in the Group receive and hold monies deposited by clients and other institutions in the course of the conduct of the regulated activities of dealing in securities. These clients' monies are maintained in one or more trust bank accounts which are separately maintained from the bank accounts of the Group.

	Group	
	31-Mar-22	31-Dec-21
	\$'000	\$'000
Client bank accounts	1,120,573	973,592
Client ledger balances	(1,120,573)	(973,592)
	<u>-</u>	<u>-</u>

18. Use of proceeds from the Company's share placement.

The Company refers to the net proceeds of \$103.3 million (the gross proceeds of \$105.0 million excluding share issuance expenses of \$1.7 million) raised from the placement of 14,000,000 new ordinary shares in the capital of the Company in January 2022 ("Net Proceeds"). The following table sets out our use of Net Proceeds up to 31 March 2022.

	Allocation of Net Proceeds	Net Proceeds utilised as at 31 March 2022	Balance of Net Proceeds as at 31 March 2022
Use of Net Proceeds	\$' million	\$' million	\$' million
Acquisition of and investment in BFC Bank Limited through subscription of shares in Eagles Peak Holdings Limited ("EPHL")	72.1 ⁽¹⁾	72.1 ⁽¹⁾	-
Working capital purposes	31.2	-	31.2
Net Proceeds	<u>103.3</u>	<u>72.1</u>	<u>31.2</u>

Note:

(1) The Company has paid the total investment amount of GBP 40.0 million (equivalent to \$72.1 million based on the actual currency conversion exchange rate on the payment date) to EPHL for the subscription of 1,700,000 new ordinary shares issued by EPHL.

Pending the deployment of the remaining Net Proceeds as disclosed above, the balance of Net Proceeds have been deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable capital markets products on a short-term basis.

The Company will make periodic announcements on the use of Net Proceeds as and when such proceeds are materially disbursed.

BY ORDER OF THE BOARD

Lim Kian Thong
Chief Financial Officer
23 April 2022