

The logo for iFAST, featuring the word "iFAST" in white, lowercase and uppercase letters, centered within a dark teal square background.

**iFAST**

**iFAST Corporation Ltd.  
and its Subsidiaries**

Company Registration No: 200007899C  
(Incorporated in the Republic of Singapore)

**Unaudited Second Quarter and Half Year 2018  
Financial Statements Announcement**

## Second Quarter 2018 Financial Statements and Dividend Announcement

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

### Consolidated income statement for the second quarter and half year ended 30 June 2018

	Group			Group		
	2Q18 \$'000	2Q17 \$'000	Change %	1H18 \$'000	1H17 \$'000	Change %
	Restated			Restated		
Revenue	30,921	24,658	25.4	61,880	46,755	32.3
Commission and fee paid or payable to third party financial advisers	(15,965)	(12,708)	25.6	(32,546)	(23,634)	37.7
	<b>14,956</b>	<b>11,950</b>	<b>25.2</b>	<b>29,334</b>	<b>23,121</b>	<b>26.9</b>
Other income	275	317	(13.2)	559	549	1.8
Depreciation of plant and equipment	(415)	(313)	32.6	(798)	(624)	27.9
Amortisation of intangible assets	(914)	(638)	43.3	(1,834)	(1,217)	50.7
Staff costs	(6,379)	(4,773)	33.6	(12,482)	(9,615)	29.8
Other operating expenses	(4,307)	(4,113)	4.7	(8,779)	(7,817)	12.3
<b>Results from operating activities</b>	<b>3,216</b>	<b>2,430</b>	<b>32.3</b>	<b>6,000</b>	<b>4,397</b>	<b>36.5</b>
Finance income	246	156	57.7	475	360	31.9
Finance cost	(1)	<sup>(1)</sup>	NM	(1)	(1)	-
Net finance income	245	156	57.1	474	359	32.0
Share of results of associates, net of tax	(62)	(113)	(45.1)	(90)	(244)	(63.1)
<b>Profit before tax</b>	<b>3,399</b>	<b>2,473</b>	<b>37.4</b>	<b>6,384</b>	<b>4,512</b>	<b>41.5</b>
Tax expense	(516)	(435)	18.6	(806)	(720)	11.9
<b>Profit for the period</b>	<b>2,883</b>	<b>2,038</b>	<b>41.5</b>	<b>5,578</b>	<b>3,792</b>	<b>47.1</b>
<b>Profit attributable to:</b>						
<b>Owners of the Company</b>	<b>2,935</b>	<b>2,090</b>	<b>40.4</b>	<b>5,688</b>	<b>3,894</b>	<b>46.1</b>
Non-controlling interests	(52)	(52)	-	(110)	(102)	7.8
<b>Profit for the period</b>	<b>2,883</b>	<b>2,038</b>	<b>41.5</b>	<b>5,578</b>	<b>3,792</b>	<b>47.1</b>

NM denotes not meaningful.

<sup>(1)</sup> Amount less than \$1,000.

**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 second quarter and half year ended 30 June 2018**

	2Q18	Group 2Q17	Change	1H18	Group 1H17	Change
	\$'000	\$'000	%	\$'000	\$'000	%
	Restated			Restated		
<b>Profit for the period</b>	<b>2,883</b>	<b>2,038</b>	<b>41.5</b>	<b>5,578</b>	<b>3,792</b>	<b>47.1</b>
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Net change in fair value of financial assets at FVOCI	(83)	(214)	(61.2)	(40)	(85)	(52.9)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	-	-	2	9	(77.8)
Foreign currency translation differences for foreign operations	519	(161)	NM	413	(689)	NM
Share of other comprehensive income of associates	(15)	-	NM	(15)	3	NM
	421	(375)	NM	360	(762)	NM
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Net change in fair value of financial assets at FVOCI	(347)	212	NM	(773)	576	NM
	(347)	212	NM	(773)	576	NM
Other comprehensive income for the period, net of tax	74	(163)	NM	(413)	(186)	122.0
<b>Total comprehensive income for the period</b>	<b>2,957</b>	<b>1,875</b>	<b>57.7</b>	<b>5,165</b>	<b>3,606</b>	<b>43.2</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>3,009</b>	<b>1,927</b>	<b>56.1</b>	<b>5,273</b>	<b>3,712</b>	<b>42.1</b>
Non-controlling interests	(52)	(52)	-	(108)	(106)	1.9
<b>Total comprehensive income for the period</b>	<b>2,957</b>	<b>1,875</b>	<b>57.7</b>	<b>5,165</b>	<b>3,606</b>	<b>43.2</b>

NM denotes not meaningful.

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

	Group 2Q18 \$'000	Group 2Q17 \$'000	Change %	Group 1H18 \$'000	Group 1H17 \$'000	Change %
	Restated			Restated		
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>						
Other income						
- Investment income	(251)	(239)	5.0	(415)	(387)	7.2
- Government grant	(18)	(35)	(48.6)	(120)	(114)	5.3
- Gain on derecognition of an associate	-	(19)	NM	-	(19)	NM
- Miscellaneous income	(6)	(24)	(75.0)	(24)	(29)	(17.2)
	(275)	(317)	(13.2)	(559)	(549)	1.8
Interest income						
- from cash and cash equivalents	(212)	(103)	105.8	(393)	(187)	110.2
- from investment in financial assets	(32)	(53)	(39.6)	(79)	(173)	(54.3)
- from receivables	(2)	-	NM	(3)	-	NM
	(246)	(156)	57.7	(475)	(360)	31.9
Operating lease expense	1,693	1,539	10.0	3,253	3,043	6.9
Unrealised exchange (gain) / loss, net	(101)	44	NM	23	128	(82.0)
Equity-settled share-based payment transactions, included in staff costs	623	337	84.9	1,134	727	56.0
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	83	83	-	166	166	-
Loss on redemption of investment in financial assets at FVOCI, included in investment income	-	-	-	2	9	(77.8)
Dividend income on investment in financial assets at FVOCI, included in investment income	(182)	(166)	9.6	(361)	(341)	5.9
Net gain on investment in held-for-trading financial assets, included in investment income	(60)	(64)	(6.3)	(38)	(37)	2.7

NM denotes not meaningful.

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

	Group		Company	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
Plant and equipment	3,266	2,308	95	66
Intangible assets and goodwill	14,264	13,622	11,517	10,720
Subsidiaries	-	-	49,913	50,090
Associates	2,348	1,616	2,854	2,017
Other investments	3,952	3,849	886	783
Deferred tax assets	791	542	-	-
Prepayments and others	274	346	11	11
<b>Total non-current assets</b>	<b>24,895</b>	<b>22,283</b>	<b>65,276</b>	<b>63,687</b>
Current tax receivables	-	34	-	-
Other investments	20,786	22,413	20,786	22,413
Uncompleted contracts - buyers	23,011	9,056	-	-
Trade and other receivables	29,332	28,135	9,881	7,773
Prepayments	1,229	1,315	76	26
Money market funds	2,481	2,619	-	-
Cash at bank and in hand	25,765	30,879	3,262	8,452
<b>Total current assets</b>	<b>102,604</b>	<b>94,451</b>	<b>34,005</b>	<b>38,664</b>
<b>Held under trust</b>				
Client bank accounts	398,550	275,461	-	-
Client ledger balances	(398,550)	(275,461)	-	-
	-	-	-	-
<b>Total assets</b>	<b>127,499</b>	<b>116,734</b>	<b>99,281</b>	<b>102,351</b>
<b>Equity</b>				
Share capital	65,648	65,545	65,648	65,545
Reserves	17,559	15,691	21,858	21,555
<b>Equity attributable to owners of the Company</b>	<b>83,207</b>	<b>81,236</b>	<b>87,506</b>	<b>87,100</b>
Non-controlling interests	(91)	17	-	-
<b>Total equity</b>	<b>83,116</b>	<b>81,253</b>	<b>87,506</b>	<b>87,100</b>
<b>Liabilities</b>				
Deferred tax liabilities	1,289	1,195	1,073	930
Finance lease liabilities	11	13	-	-
<b>Total non-current liabilities</b>	<b>1,300</b>	<b>1,208</b>	<b>1,073</b>	<b>930</b>
Uncompleted contracts - sellers	22,898	8,936	-	-
Trade and other payables	18,723	24,253	10,702	14,321
Finance lease liabilities	5	5	-	-
Current tax payables	1,457	1,079	-	-
<b>Total current liabilities</b>	<b>43,083</b>	<b>34,273</b>	<b>10,702</b>	<b>14,321</b>
<b>Total liabilities</b>	<b>44,383</b>	<b>35,481</b>	<b>11,775</b>	<b>15,251</b>
<b>Total equity and liabilities</b>	<b>127,499</b>	<b>116,734</b>	<b>99,281</b>	<b>102,351</b>

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

### Amount repayable in one year or less, or on demand

	Group			
	As at 30-Jun-18 \$'000		As at 31-Dec-17 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	5	-	5	-

### Amount repayable after one year

	Group			
	As at 30-Jun-18 \$'000		As at 31-Dec-17 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	11	-	13	-

### Details of any collateral

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

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

	Group		Group	
	2Q18 \$'000	2Q17 \$'000	1H18 \$'000	1H17 \$'000
	Restated		Restated	
<b>Cash flows from operating activities</b>				
Profit for the period	2,883	2,038	5,578	3,792
Adjustments for:				
Depreciation of plant and equipment	415	313	798	624
Amortisation of intangible assets	914	638	1,834	1,217
Equity-settled share-based payment transactions	706	420	1,300	893
Dividend income on investment in available-for-sale financial assets	(182)	(166)	(361)	(341)
Loss on redemption of investment in available-for-sale financial assets	-	-	2	9
Net gain on held-for-trading financial assets	(60)	(64)	(38)	(37)
Share of results of associates, net of tax	62	113	90	244
Dividend income on investment in associates	(9)	(9)	(18)	(18)
Unrealised exchange (gain) / loss, net	(101)	44	23	128
Plant and equipment written off	-	19	20	19
Gain on derecognition of an associate	-	(19)	-	(19)
Net finance income	(245)	(156)	(474)	(359)
Tax expense	516	435	806	720
	<u>4,899</u>	<u>3,606</u>	<u>9,560</u>	<u>6,872</u>
Change in uncompleted contracts and trade and other receivables	(6,325)	(8,696)	(13,846)	(8,608)
Change in uncompleted contracts and trade and other payables	11,109	7,259	14,774	6,512
<b>Cash generated from operations</b>	<b>9,683</b>	<b>2,169</b>	<b>10,488</b>	<b>4,776</b>
Tax paid	(543)	(219)	(533)	(212)
Interest received	264	157	460	350
Interest paid	(1)	-	(1)	(1)
<b>Net cash from operating activities</b>	<b>9,403</b>	<b>2,107</b>	<b>10,414</b>	<b>4,913</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(456)	(834)	(1,725)	(1,079)
Purchase of intangible assets	(1,089)	(1,122)	(3,840)	(1,768)
Additional investment in associates	-	(160)	(836)	(160)
Dividend from associates	-	-	18	17
Purchase of investment in financial assets	(21,133)	(17,120)	(39,868)	(30,010)
Proceeds from redemption of investment in financial assets	24,838	19,820	34,737	36,022
Dividends received from investment in financial assets at FVOCI	1	8	5	13
Acquisition of subsidiary, net of cash acquired	-	-	-	(702)
<b>Net cash from / (used in) investing activities</b>	<b>2,161</b>	<b>592</b>	<b>(11,509)</b>	<b>2,333</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of share options	96	655	103	693
Purchase of treasury shares	-	(252)	(150)	(548)
Proceeds from shares issued to non-controlling interests of subsidiary	-	-	-	78
Repayment of finance lease liabilities	(1)	(1)	(2)	(2)
Dividends paid to owners of the Company	(4,389)	(3,759)	(4,389)	(3,759)
<b>Net cash used in financing activities</b>	<b>(4,294)</b>	<b>(3,357)</b>	<b>(4,438)</b>	<b>(3,538)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,270</b>	<b>(658)</b>	<b>(5,533)</b>	<b>3,708</b>
Cash and cash equivalents at beginning of the period	20,644	26,480	33,498	22,464
Effect of exchange rate fluctuations on cash held	332	(102)	281	(452)
<b>Cash and cash equivalents at end of the period</b>	<b>28,246</b>	<b>25,720</b>	<b>28,246</b>	<b>25,720</b>

**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		
<b>At 1 January 2018, as previously stated</b>	65,545	(278)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,361	81,236	17	81,253
Effect of adoption of SFRS(I) 9	-	(217)	-	-	-	-	-	217	-	-	-
<b>At 1 January 2018, as restated</b>	65,545	(495)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,578	81,236	17	81,253
<b>Total comprehensive income for the period</b>											
Profit / (Loss) for the period	-	-	-	-	-	-	-	5,688	5,688	(110)	5,578
<b>Other comprehensive income</b>											
Net change in fair value of financial assets at FVOCI	-	(813)	-	-	-	-	-	-	(813)	-	(813)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	2	-	-	-	-	-	-	2	-	2
Foreign currency translation differences for foreign operations	-	-	411	-	-	-	-	-	411	2	413
Share of other comprehensive income of associates	-	(2)	(13)	-	-	-	-	-	(15)	-	(15)
Total other comprehensive income	-	(813)	398	-	-	-	-	-	(415)	2	(413)
<b>Total comprehensive income for the period</b>	-	(813)	398	-	-	-	-	5,688	5,273	(108)	5,165
<b>Transactions with owners, recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Share options exercised	103	-	-	-	-	-	-	-	103	-	103
Purchase of treasury shares	-	-	-	-	-	-	(150)	-	(150)	-	(150)
Treasury shares re-issued	-	-	-	-	(1,945)	-	1,286	659	-	-	-
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,394)	(2,394)	-	(2,394)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,995)	(1,995)	-	(1,995)
Equity-settled share-based payment transactions	-	-	-	139	995	-	-	-	1,134	-	1,134
Total contributions by and distribution to owners	103	-	-	139	(950)	-	1,136	(3,730)	(3,302)	-	(3,302)
<b>Total transactions with owners</b>	103	-	-	139	(950)	-	1,136	(3,730)	(3,302)	-	(3,302)
<b>At 30 June 2018</b>	65,648	(1,308)	(1,080)	1,929	1,895	(2,010)	(1,403)	19,536	83,207	(91)	83,116

FVOCI denotes fair value through other comprehensive income.



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

	Group										
	Attributable to owners of the Company								Total	Non-controlling interests	Total equity
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2017, as previously stated	64,147	12	(535)	1,496	2,250	(2,010)	(2,531)	15,617	78,446	150	78,596
Effect of adoption of SFRS(I) 9	-	(391)	-	-	-	-	-	391	-	-	-
As 1 January 2017, as restated	64,147	(379)	(535)	1,496	2,250	(2,010)	(2,531)	16,008	78,446	150	78,596
<b>Total comprehensive income for the period</b>											
Profit / (Loss) for the period	-	-	-	-	-	-	-	3,894	3,894	(102)	3,792
<b>Other comprehensive income</b>											
Net change in fair value of financial assets at FVOCI	-	491	-	-	-	-	-	-	491	-	491
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	-	-	9	-	9
Net change in fair value of financial assets at FVOCI transferred between reserves	-	(311)	-	-	-	-	-	311	-	-	-
Foreign currency translation differences for foreign operations	-	-	(685)	-	-	-	-	-	(685)	(4)	(689)
Share of other comprehensive income of associates	-	(1)	3	-	-	-	-	-	3	-	3
Total other comprehensive income	-	189	(682)	-	-	-	-	311	(182)	(4)	(186)
<b>Total comprehensive income for the period</b>	-	189	(682)	-	-	-	-	4,205	3,712	(106)	3,606
<b>Transactions with owners, recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Share options exercised	693	-	-	-	-	-	-	-	693	-	693
Purchase of treasury shares	-	-	-	-	-	-	(548)	-	(548)	-	(548)
Treasury shares re-issued	-	-	-	-	(785)	-	540	245	-	-	-
One-tier tax-exempt 2016 final dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,970)	(1,970)	-	(1,970)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	-	(1,789)	(1,789)	-	(1,789)
Equity-settled share-based payment transactions	-	-	-	90	637	-	-	-	727	-	727
Total contributions by and distribution to owners	693	-	-	90	(148)	-	(8)	(3,514)	(2,887)	-	(2,887)
<b>Changes in ownership interests in subsidiaries</b>											
Issue of shares to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	78	78
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	78	78
<b>Total transactions with owners</b>	693	-	-	90	(148)	-	(8)	(3,514)	(2,887)	78	(2,809)
<b>At 30 June 2017</b>	64,840	(190)	(1,217)	1,586	2,102	(2,010)	(2,539)	16,699	79,271	122	79,393

FVOCI denotes fair value through other comprehensive income.

<sup>(1)</sup>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						Total equity
	Attributable to owners of the Company						
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2018, as previously stated</b>	65,545	(279)	1,564	2,845	(2,539)	19,964	87,100
Effect of adoption of SFRS(I) 9	-	(217)	-	-	-	217	-
<b>At 1 January 2018, as restated</b>	<b>65,545</b>	<b>(496)</b>	<b>1,564</b>	<b>2,845</b>	<b>(2,539)</b>	<b>20,181</b>	<b>87,100</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	4,658	4,658
<b>Other comprehensive income</b>							
Net change in fair value of financial assets at FVOCI	-	(813)	-	-	-	-	(813)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	2	-	-	-	-	2
Total other comprehensive income	-	(811)	-	-	-	-	(811)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(811)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,658</b>	<b>3,847</b>
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share options exercised	103	-	-	-	-	-	103
Purchase of treasury shares	-	-	-	-	(150)	-	(150)
Treasury shares re-issued	-	-	-	(1,945)	1,286	659	-
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,394)	(2,394)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(1,995)	(1,995)
Equity-settled share-based payment transactions	-	-	-	995	-	-	995
Total contributions by and distribution to owners	103	-	-	(950)	1,136	(3,730)	(3,441)
<b>Total transactions with owners</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>(950)</b>	<b>1,136</b>	<b>(3,730)</b>	<b>(3,441)</b>
<b>At 30 June 2018</b>	<b>65,648</b>	<b>(1,307)</b>	<b>1,564</b>	<b>1,895</b>	<b>(1,403)</b>	<b>21,109</b>	<b>87,506</b>

FVOCI denotes fair value through other comprehensive income.

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

	Company						Total equity
	Attributable to owners of the Company						
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2017, as previously stated</b>	64,147	12	1,496	2,250	(2,531)	14,814	80,188
Effect of adoption of SFRS(I) 9		(391)				391	-
<b>At 1 January 2017, as restated</b>	<b>64,147</b>	<b>(379)</b>	<b>1,496</b>	<b>2,250</b>	<b>(2,531)</b>	<b>15,205</b>	<b>80,188</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	11,999	11,999
<b>Other comprehensive income</b>							
Net change in fair value of financial assets at FVOCI	-	464	-	-	-	-	464
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	9
Net change in fair value of financial assets at FVOCI transferred between reserves	-	(311)	-	-	-	311	-
Total other comprehensive income	-	162	-	-	-	311	473
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,310</b>	<b>12,472</b>
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share options exercised	693	-	-	-	-	-	693
Purchase of treasury shares	-	-	-	-	(548)	-	(548)
Treasury shares re-issued	-	-	-	(785)	540	245	-
One-tier tax-exempt 2016 final dividend paid of 0.75 cents per share	-	-	-	-	-	(1,970)	(1,970)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,789)	(1,789)
Equity-settled share-based payment transactions	-	-	15	637	-	-	652
Total contributions by and distribution to owners	693	-	15	(148)	(8)	(3,514)	(2,962)
<b>Total transactions with owners</b>	<b>693</b>	<b>-</b>	<b>15</b>	<b>(148)</b>	<b>(8)</b>	<b>(3,514)</b>	<b>(2,962)</b>
<b>At 30 June 2017</b>	<b>64,840</b>	<b>(217)</b>	<b>1,511</b>	<b>2,102</b>	<b>(2,539)</b>	<b>24,001</b>	<b>89,698</b>

FVOCI denotes fair value through other comprehensive income.

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

The number of shares in issue in the Company as at 30 June 2018 excluding treasury shares and subsidiary holdings was 266,169,968 ordinary shares (31 March 2018: 265,871,518 ordinary shares). The movements in the Company's share capital during the second quarter ended 30 June 2018 were as follows:

	<b>Number of ordinary shares</b>
As at 31 March 2018	265,871,518
Exercise of share options	193,550
Vesting of performance shares	104,900
Purchase of treasury shares	-
As at 30 June 2018	<u><u>266,169,968</u></u>

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

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

	<b>Number of share options</b>
As at 31 March 2018	4,653,201
Share options granted	-
Exercised	(193,550)
Forfeited	-
As at 30 June 2018	<u><u>4,459,651</u></u>

As at 30 June 2018, the number of outstanding share options under the iFAST SOS was 4,459,651 (30 June 2017: 5,971,687).

#### 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 March 2018	6,567,300
Performance shares granted but not vested	91,600
Vested	(104,900)
Forfeited	(34,500)
As at 30 June 2018	<u>6,519,500</u>

On 1 May 2018, the Company granted 91,600 performance shares pursuant to the iFAST PSP. As at 30 June 2018, the number of outstanding performance shares granted but not vested under the iFAST PSP was 6,519,500 (30 June 2017: 4,390,800).

#### Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 31 March 2018	1,685,700
Purchased by way of on-market acquisition	-
Purchased by way of off-market acquisition	-
Re-issued	(104,900)
As at 30 June 2018	<u>1,580,800</u>

During 2Q18, the Company acquired Nil (2Q17: 359,200) ordinary shares in the Company by way of on-market purchases. As at 30 June 2018, 1,580,800 (30 June 2017: 2,869,200) treasury shares were held by the Company that may be re-issued upon the exercise of share options under the iFAST SOS and upon the vesting of performance shares under the iFAST PSP.

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

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

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

	As at 30-Jun-18	As at 31-Dec-17
Total number of issued shares excluding treasury shares	<u>266,169,968</u>	<u>264,672,618</u>

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

During 2Q18, the Company transferred 104,900 treasury shares for the fulfilment of share awards vested under the iFAST PSP. The total value of the treasury shares transferred was \$0.09 million.

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

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

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

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

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

Not applicable.

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

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

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

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

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

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

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

	2Q17		1H17	
	Reported previously	Restated	Reported previously	Restated
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated income statement and consolidated statement of comprehensive income</b>				
Other income	433	317	871	549
<b>Profit for the period</b>	<b>2,154</b>	<b>2,038</b>	<b>4,114</b>	<b>3,792</b>
Profit attributable to:				
Owners of the Company	2,589	2,473	4,834	4,512
Non-controlling interests	(435)	(435)	(720)	(720)
	<b>2,154</b>	<b>2,038</b>	<b>4,114</b>	<b>3,792</b>
Other comprehensive income for the period, net of tax	(279)	(163)	(508)	(186)
<b>Total comprehensive income for the period</b>	<b>1,875</b>	<b>1,875</b>	<b>3,606</b>	<b>3,606</b>

	2Q17		1H17	
	Reported previously	Restated	Reported previously	Restated
Earning per share				
- basic (cents)	0.84	0.79	1.60	1.48
- diluted (cents)	0.83	0.78	1.58	1.46

**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.**

	2Q18	2Q17	1H18	1H17
		(Restated)		(Restated)
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	266,067,301	263,090,137	265,570,277	262,709,610
Basic earnings per share (cents)	1.10	0.79	2.14	1.48
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	270,816,578	267,077,594	270,593,017	266,998,406
Diluted earnings per share (cents)	1.08	0.78	2.10	1.46

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

	Group		Company	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
Net asset value per ordinary share (cents)	31.26	30.69	32.88	32.91

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

### **Consolidated Income Statement**

#### Revenue

Despite volatile global market conditions in the second quarter ended 30 June 2018 ("2Q18"), the Group achieved revenue of \$30.92 million in 2Q18, which was 25.4% higher than the second quarter last year ("2Q17"). Revenue of \$61.88 million for the financial period ended 30 June 2018 ("1H18") was 32.3% higher than the same period last year ("1H17").

The year-on-year ("YoY") increases in 2Q18 and 1H18 were bolstered by the growth in the Group's business and Asset Under Administration ("AUA") for both Business-to-Customer ("B2C") and Business-to-Business ("B2B") business divisions in the period. The Group's AUA grew 22.2% YoY to reach a new record of \$8.33 billion as at 30 June 2018, contributed by the Group's continuing efforts to widen the range of investment products and services and strengthen the financial technology ("FinTech") capabilities of its platforms in the various markets in recent years.

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's revenue. The revenue in Singapore operation grew 15.4% YoY in 2Q18 and 24.0% YoY in 1H18, which was mainly contributed by increases in investment trading volumes in bonds, exchange-traded funds ("ETFs") and stocks during the period, following the launch of SGX trading capabilities on the FSMOne.com and B2B platforms in June 2017 and July 2017 respectively and the launch of US trading capabilities on the FSMOne.com and B2B platforms in December 2017 and April 2018 respectively. The investment trading volume in stocks increased 50.2% quarter-on-quarter ("QoQ") in 2Q18. The AUA of Singapore operation grew 16.5% YoY as at 30 June 2018.

In Hong Kong, following the launch of multi-products FSMOne.com platform in November 2017, there has been an increase in stock/ETF transactions placed through the FSM Mobile application in recent quarters. On the B2B division, with the increased range and depth of investment products brought onto the platform, there have been strong investment inflows from high net worth investors on the B2B platform during the period. The significant increase in investment subscription amounts from customers in B2B business division in the period resulted in increases in revenue of 53.7% YoY in 2Q18 and 55.9% YoY in 1H18. The AUA of Hong Kong operation grew 32.4% YoY as at 30 June 2018.

In Malaysia, as market sentiment were largely affected by global trade war tensions and Malaysia's General Election, the growth in the unit trust business slowed down slightly in the second quarter. However, the bond business grew significantly in 2Q18. The revenue in Malaysia operation grew 37.2% YoY in 2Q18 and 47.5% YoY in 1H18. The AUA of Malaysia operation grew 35.4% YoY as at 30 June 2018.

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 (including financial institutions) in China invest internationally, especially through the Group's presence in Hong Kong and Singapore. The revenue in China operation grew 170.7% YoY in 2Q18 and 85.7% YoY in 1H18. The AUA of China operation grew 140.5% YoY as at 30 June 2018.



	Group			Group		
	2Q18 \$'000	2Q17 \$'000	Change %	1H18 \$'000	1H17 \$'000	Change %
Singapore	20,476	17,736	15.4	41,985	33,860	24.0
Hong Kong	7,603	4,947	53.7	14,540	9,327	55.9
Malaysia	2,574	1,876	37.2	4,913	3,330	47.5
	<u>30,653</u>	<u>24,559</u>	<u>24.8</u>	<u>61,438</u>	<u>46,517</u>	<u>32.1</u>
China	268	99	170.7	442	238	85.7
Total revenue	<u>30,921</u>	<u>24,658</u>	<u>25.4</u>	<u>61,880</u>	<u>46,755</u>	<u>32.3</u>

#### Commission and fee paid or payable to third party financial advisers

Commission and fee paid or payable to third party financial advisers increased by 25.6% from \$12.71 million in 2Q17 to \$15.97 million in 2Q18 and 37.7% from \$23.63 million in 1H17 to \$32.55 million in 1H18. The increase was in line with the increase in revenue from Business-to-Business (“B2B”) business in the period.

#### Net revenue

Net revenue represents revenue earned by the Group after commission and fee paid or payable to third party financial advisers. The net revenue of \$14.96 million for 2Q18 was 25.2% higher than 2Q17, and the net revenue of \$29.33 million for 1H18 was 26.9% higher than 1H17.

The following table shows the breakdown of the Group’s net revenue, by recurring and non-recurring basis. The Group’s business model gives a stream of reliable recurring revenue which is based on AUA. For 2Q18, 81.4% of net revenue is derived from recurring net revenue and 18.6% is from non-recurring net revenue. For 1H18, 80.8% of net revenue is derived from recurring net revenue and 19.2% is from non-recurring net revenue.

	Group			Group		
	2Q18 \$'000	2Q17 \$'000	Change %	1H18 \$'000	1H17 \$'000	Change %
Recurring net revenue	12,172	9,932	22.6	23,708	19,345	22.6
Non-recurring net revenue	2,784	2,018	38.0	5,626	3,776	49.0
Total net revenue	<u>14,956</u>	<u>11,950</u>	<u>25.2</u>	<u>29,334</u>	<u>23,121</u>	<u>26.9</u>

Recurring net revenue is usually calculated based on a percentage of average AUA of Investment Products distributed on the Group’s platforms, which mainly comprises trailer fees, platform fees and wrap fees. The YoY increases in recurring net revenue in 2Q18 and 1H18 were mainly due to an increase in average AUA for both B2B business and B2C business in the period, which benefited from new inflows of investments from customers in the period. The average AUA of the Group grew 23.5% YoY to \$8.19 billion in 2Q18 and 25.1% YoY to \$8.04 billion in 1H18.

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

subscription in unit trusts and trading volumes in bonds, ETFs and stocks and IT outsourcing fees earned from provision of IT solutions to some FA firms and institutional clients in the period.

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

	Group			Group		
	2Q18 \$'000	2Q17 \$'000	Change %	1H18 \$'000	1H17 \$'000	Change %
Singapore	9,871	8,361	18.1	19,623	16,386	19.8
Hong Kong	3,653	2,633	38.7	7,047	5,024	40.3
Malaysia	1,164	858	35.7	2,222	1,558	42.6
	14,688	11,852	23.9	28,892	22,968	25.8
China	268	98	173.5	442	153	188.9
Total net revenue	14,956	11,950	25.2	29,334	23,121	26.9

#### Other income

Other income decreased by \$0.04 million or 13.2% from \$0.32 million in 2Q17 to \$0.28 million in 2Q18, due mainly to lower government grant received in 2Q18 and a one-time gain on derecognition of an associate recognised in 2Q17. However, other income still increased slightly by 1.8% from \$0.55 million in 1H17 to \$0.56 million in 1H18, due mainly to higher investment income earned in 1H18.

#### Operating expenses

Excluding China operation, the Group's operating expenses increased by \$2.01 million or 23.5% from \$8.60 million in 2Q17 to \$10.61 million in 2Q18 and \$4.11 million or 24.2% from \$16.98 million in 1H17 to \$21.09 million in 1H18. The increase was mainly due to the Group's increased efforts in enhancing its platform capabilities including improving the range of investment products and services being provided to customers in the existing markets in the period. Singapore operation has leased additional office space from July 2017 to support its business expansion.

For our China operation, the operating expenses increased by \$0.16 million or 12.8% from \$1.24 million in 2Q17 to \$1.40 million in 2Q18 and \$0.50 million or 22.1% from \$2.30 million in 1H17 to \$2.80 million in 1H18. The increase was due mainly to our increasing efforts in building our brand and business in the China market over the period.

Overall, the Group's total operating expenses increased by \$2.18 million or 22.1% from \$9.84 million in 2Q17 to \$12.02 million in 2Q18 and \$4.62 million or 24.0% from \$19.27 million in 1H17 to \$23.89 million in 1H18. The following table shows the breakdown of the Group's operating expenses by its existing markets and China market.

	Group			Group		
	2Q18 \$'000	2Q17 \$'000	Change %	1H18 \$'000	1H17 \$'000	Change %
Operating expenses (excluding China operation)	10,614	8,595	23.5	21,089	16,976	24.2
Operating expenses in China operation	1,401	1,242	12.8	2,804	2,297	22.1
Total operating expenses	12,015	9,837	22.1	23,893	19,273	24.0

Depreciation of plant and equipment increased by \$0.11 million or 32.6% from \$0.31 million in 2Q17 to \$0.42 million in 2Q18 and \$0.18 million or 27.9% from \$0.62 million in 1H17 to \$0.80 million in 1H18. Amortisation of intangible assets increased by \$0.27 million or 43.3% from \$0.64 million in 2Q17 to \$0.91 million in 2Q18 and \$0.61 million or 50.7% from \$1.22 million in 1H17 to \$1.83 million in 1H18. These were due mainly to additions of plant and equipment and intangible

assets (including internally-developed IT software assets) over the period, to support business expansion in the markets that the Group operates in and to continuously strengthen the FinTech capabilities of our investment platforms.

Staff costs increased by \$1.61 million or 33.6% from \$4.77 million in 2Q17 to \$6.38 million in 2Q18 and \$2.86 million or 29.8% from \$9.62 million in 1H17 to \$12.48 million in 1H18, due mainly to the annual salary increment adjusted in January 2018, the increased number of staff over the period, the increased equity-settled share-based payment transactions resulting from another batches of performance shares granted in March 2018 and May 2018, and higher staff bonus in line with improved business performance accrued in 1H18.

Other operating expenses increased by \$0.20 million or 4.7% from \$4.11 million in 2Q17 to \$4.31 million in 2Q18 and \$0.96 million or 12.3% from \$7.82 million in 1H17 to \$8.78 million in 1H18, due mainly to due mainly to an increase in rental of Singapore operation arising from lease of additional office space in Singapore from July 2017 and increases in advertising, IT service and maintenance, bank charges and brokerage costs to support the growth of the Group's business in the period and partially offset by unrealised exchange gains arising from cash and cash equivalents and investments in financial assets reported in 2Q18.

#### Net finance income

Net finance income decreased by \$0.09 million or 57.1% from \$0.16 million in 2Q17 to \$0.25 million in 2Q18 and \$0.11 million or 32.0% from \$0.36 million in 1H17 to \$0.47 million in 1H18. These were due mainly to higher interest income from bank deposits in the period, partially offset by lower interest income from investment in financial assets arising from redemptions of some bond investments at FVOCI over the period.

#### Share of results of associates, net of tax

The Group's share of loss after tax of associates in 1H18 comprised share of loss of associates, namely Provident Holding Pte Ltd ("Provident") and iFAST India Holdings Pte Ltd in the period. iFAST India Holdings Pte Ltd is an ultimate holding company of iFAST Financial India Pvt Ltd ("iFAST India"), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. iFAST India had a AUA of Indian Rupee 25.63 billion (equivalent to \$510 million) as at 30 June 2018, growing at a 5-year compound annual growth rate ("CAGR") of approximately 53.2%.

The share of loss after tax of associates decreased from \$0.11 million in 2Q17 to \$0.06 million in 2Q18 and from \$0.24 million in 1H17 to \$0.09 million in 1H18. These were due mainly to derecognition of a loss making associate in June 2017 and some improvement in results of Provident in the period.

#### Profit for the period, after non-controlling interests

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

	2Q18 \$'000	Group 2Q17 \$'000	Change %	1H18 \$'000	Group 1H17 \$'000	Change %
		<b>Restated</b>			<b>Restated</b>	
Singapore	3,208	2,872 <sup>(3)</sup>	11.7	6,211	5,645 <sup>(3)</sup>	10.0
Hong Kong	1,002	536	86.9	1,813	657	176.0
Malaysia	358	307	16.6	763	568	34.3
Other <sup>(1)</sup>	(62)	(113)	(45.1)	(90)	(244)	(63.1)
Profit before tax (excluding China operation)	4,506	3,602	25.1	8,697	6,626	31.3
Tax expense	(516)	(435)	18.6	(806)	(720)	11.9
Net profit after tax (excluding China operation)	3,990	3,167	26.0	7,891	5,906	33.6
China operation <sup>(2)</sup>	(1,055)	(1,077)	(2.0)	(2,203)	(2,012)	9.5
Net profit after tax (including China operation)	2,935	2,090	40.4	5,688	3,894	46.1

Notes:

(1) Referring to share of results of associates.

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

(3) The profit before tax of Singapore operation for 2Q17 has been reduced by approximately \$116,000 to \$2,872,000 and the profit before tax of Singapore operation for 1H17 has been reduced by approximately \$322,000 to \$5,645,000, as a result of adoption of SFRS(I)9.

Overall, excluding China operation, the Group's profit before tax increased by \$0.91 million or 25.1% from \$3.60 million in 2Q17 to \$4.51 million in 2Q18 and \$2.07 million or 31.3% from \$6.63 million in 1H17 to \$8.70 million in 1H18, due mainly to higher contributions from Singapore, Hong Kong and Malaysia operations in the quarter.

Tax expense increased by \$0.08 million from \$0.44 million in 2Q17 to \$0.52 million in 2Q18 and \$0.09 million from \$0.72 million in 1H17 to \$0.81 million in 1H18, due mainly to an increase in taxable income from Singapore operation in the period, partially offset by some deferred tax assets recognised by Hong Kong and Malaysia operations for some unused tax losses at 30 June 2018.

China operation is still in the early stages of building iFAST brand and business in this new market. Although the loss from China operation increased by 9.5% YoY in 1H18, the loss from China operation decreased by 2.0% YoY and 8.1% QoQ in 2Q18.

Including China operation and tax expense, the Group's net profit after tax increased by \$0.85 million or 40.4% from \$2.09 million in 2Q17 to \$2.94 million in 2Q18 and \$1.80 million or 46.1% from \$3.89 million in 1H17 to \$5.69 million in 1H18.

### **Statement of Financial Position**

The shareholders' equity of the Group increased to \$83.21 million as at 30 June 2018 from \$81.24 million as at 31 December 2017. This was due mainly to contribution of net profit generated in 1H18, and partially offset by payments of dividends in the quarter and a decrease in fair value of some financial assets at FVOCI in the period.

The Group's cash position (including cash at bank and in hand, money market fund and investments in financial assets categorised as other investments under current assets) decreased to \$49.03 million as at 30 June 2018 from \$55.91 million as at 31 December 2017. This was due mainly to settlement of payments of securities investment and intangible assets acquired at 31 December 2017 in 1Q18 and payments of dividends in 2Q18, partially offset by higher net cash generated from operating activities in 1H18.

Current assets increased to \$102.60 million as at 30 June 2018 from \$94.45 million as at 31 December 2017. This was due mainly to an increase in trade and other receivables in line with

the increase in revenue in the period and an increase in uncompleted contracts on securities dealing at end of the period, partially offset by a decrease in the Group's cash position at 30 June 2018.

Non-current assets increased to \$24.90 million as at 30 June 2018 from \$22.28 million as at 31 December 2017. The increase was due mainly to additions of plant and equipment and intangible assets and additional investments in existing associates in the period.

Total liabilities increased to \$44.38 million as at 30 June 2018 from \$35.48 million as at 31 December 2017. This was due mainly to an increase in tax payables and an increase in uncompleted contracts on securities dealing at end of the period, partially offset by a decrease in trade and other payables arising from settlement of payments of securities investment acquired at 31 December 2017 in 1Q18.

### **Consolidated Statement of Cash Flows**

Net cash from operating activities increased from \$2.11 million in 2Q17 to \$9.40 million in 2Q18 and from \$4.91 million in 1H17 to \$10.41 million in 1H18. These were due mainly to some cross-month funding of transfer-in of customers' investment holdings from other external platforms to iFAST platforms at 31 March 2018 having been repaid in April 2018, and higher operating profit generated in 1H18.

Net cash from investing activities increased from \$0.59 million in 2Q17 to \$2.16 million in 2Q18, due mainly to higher net redemption proceeds from investment in financial assets in the quarter. Net cash used in investing activities was \$11.51 million in 1H18 compared to net cash of \$2.33 million from investing activities in 1H17, due mainly to settlement of payments of securities investment and intangible assets acquired at 31 December 2017 in 1Q18, and additions of plant and equipment acquired in the period.

Net cash used in financing activities increased from \$3.36 million in 2Q17 to \$4.29 million in 2Q18 and from \$3.54 million in 1H17 to \$4.44 million in 1H18, due mainly to higher dividends paid in the period.

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

No forecast or prospect statement was previously provided.

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

The Group's AUA reached a new quarterly high of \$ 8.33 billion at the end of 2Q18, representing a 22.2% YoY increase and the eighth consecutive quarter of record AUA levels for the Group. This has been achieved despite generally tough equity and bond market conditions in 1H18. We attribute this to the improvements and progress that the Group has made in beefing up its overall capabilities as a Wealth Management Fintech Platform.

As a result of the progress in our overall business, the Group's net revenue grew by 26.9% YoY in 1H2018, while the net profits grew 46.1% YoY.

Barring unforeseen and adverse circumstances including potential downturn of the financial market, we expect the Group's business performance in 2018 to show a healthy improvement over 2017.

Recently, iFAST Hong Kong put in an application to Hong Kong Monetary Authority (“HKMA”) for a Virtual Banking licence in Hong Kong. We believe that a Virtual Banking licence can potentially enhance the capability of a wealth management platform substantially, especially for a group like iFAST that already has a well-established Fintech Ecosystem.

There can be no assurance that iFAST Hong Kong will be successful in its application. However, if successful, we believe that the growth potential of the Group can be substantially enhanced in the medium to long term.

## **11. Dividend**

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

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

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Name of dividend	Interim
Dividend type	Cash
Dividend rate	0.68 cents per ordinary share
Tax rate	One-tier tax exempt

### **(c) Date payable**

The interim dividend will be paid on 20 August 2018.

### **(d) Books closure date**

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

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

Not applicable.

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

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

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

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

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

Pursuant to the IPO on 11 December 2014, the Company received net proceeds of \$48.0 million from the issuance of the new shares (including over-allotment shares), after deducting for share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million. The following table sets out our use of the net IPO proceeds up to 30 June 2018.

	Allocation of IPO proceeds	IPO proceeds utilised as at 30 June 2018	Balance of IPO proceeds
<b>Use of net proceeds</b>	<b>\$' million</b>	<b>\$' million</b>	<b>\$' million</b>
Mergers and acquisitions strategy	27.2	10.2	17.0
Expansion of our business in the Chinese market	7.0	7.0	-
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>	31.0	17.0

Note:

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

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

Pending the deployment of the remaining net proceeds as disclosed above, the balance of IPO proceeds of \$17.0 million has been used to invest in bonds, unit trusts and short term deposits as stated in the Prospectus.

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

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

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

**BY ORDER OF THE BOARD**

**Leung Fung Yat, David**  
**Chief Financial Officer**  
**28 July 2018**