

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 Full-Year 2019
Financial Statements Announcement**

Fourth Quarter and Full Year Ended 31 December 2019 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 fourth quarter and full year ended 31 December 2019

	4Q19 \$'000	Group 4Q18 \$'000	Change %	FY19 \$'000	Group FY18 \$'000	Change %
Revenue	33,818	27,987	20.8	125,411	121,243	3.4
Commission and fee paid or payable to third party financial advisers	(16,859)	(13,166)	28.0	(60,209)	(61,623)	(2.3)
	16,959	14,821	14.4	65,202	59,620	9.4
Other income	516	264	95.5	2,039	1,163	75.3
Depreciation of plant and equipment	(483)	(442)	9.3	(1,912)	(1,670)	14.5
Depreciation of right-of-use assets	(1,619)	-	NM	(6,130)	-	NM
Amortisation of intangible assets	(1,468)	(1,134)	29.5	(5,156)	(3,919)	31.6
Staff costs	(7,842)	(7,086)	10.7	(29,984)	(26,436)	13.4
Other operating expenses	(2,823)	(4,360)	(35.3)	(12,881)	(17,754)	(27.4)
Results from operating activities	3,240	2,063	57.1	11,178	11,004	1.6
Finance income	305	274	11.3	1,202	1,003	19.8
Finance cost	(262)	(153)	71.2	(1,266)	(175)	623.4
Net finance income / (cost)	43	121	(64.5)	(64)	828	NM
Share of results of associates, net of tax	113	626	(81.9)	(47)	517	NM
Profit before tax	3,396	2,810	20.9	11,067	12,349	(10.4)
Tax expense	(439)	(239)	83.7	(1,762)	(1,660)	6.1
Profit for the period / year	2,957	2,571	15.0	9,305	10,689	(12.9)
Profit attributable to:						
Owners of the Company	3,001	2,624	14.4	9,515	10,914	(12.8)
Non-controlling interests	(44)	(53)	(17.0)	(210)	(225)	(6.7)
Profit for the period / year	2,957	2,571	15.0	9,305	10,689	(12.9)

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 fourth quarter and full year ended 31 December 2019

	4Q19	Group 4Q18	Change	FY19	Group FY18	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period / year	2,957	2,571	15.0	9,305	10,689	(12.9)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets at FVOCI	4	132	(97.0)	12	104	(88.5)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(125)	(100.0)	(11)	(142)	(92.3)
Foreign currency translation differences for foreign operations	(370)	(48)	670.8	(200)	264	NM
Share of other comprehensive income of associates	(13)	3	NM	(27)	(18)	50.0
	<u>(379)</u>	<u>(38)</u>	<u>897.4</u>	<u>(226)</u>	<u>208</u>	<u>NM</u>
Items that will not be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets at FVOCI	(104)	(274)	(62.0)	309	(1,062)	NM
	<u>(104)</u>	<u>(274)</u>	<u>(62.0)</u>	<u>309</u>	<u>(1,062)</u>	<u>NM</u>
Other comprehensive income for the period / year, net of tax	<u>(483)</u>	<u>(312)</u>	<u>54.8</u>	<u>83</u>	<u>(854)</u>	<u>NM</u>
Total comprehensive income for the period / year	<u>2,474</u>	<u>2,259</u>	<u>9.5</u>	<u>9,388</u>	<u>9,835</u>	<u>(4.5)</u>
Attributable to:						
Owners of the Company	2,519	2,312	9.0	9,600	10,061	(4.6)
Non-controlling interests	(45)	(53)	(15.1)	(212)	(226)	(6.2)
Total comprehensive income for the period / year	<u>2,474</u>	<u>2,259</u>	<u>9.5</u>	<u>9,388</u>	<u>9,835</u>	<u>(4.5)</u>

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

	Group			Group		
	4Q19	4Q18	Change	FY19	FY18	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Profit for the period / year is arrived at after charging / (crediting) the following:</u>						
Other income						
- Investment income	(505)	(236)	114.0	(1,866)	(979)	90.6
- Government grant	-	(2)	(100.0)	(126)	(124)	1.6
- Miscellaneous income	(11)	(26)	(57.7)	(47)	(60)	(21.7)
	(516)	(264)	95.5	(2,039)	(1,163)	75.3
Finance income						
- Interest income from cash and cash equivalents	(66)	(87)	(24.1)	(275)	(311)	(11.6)
- Interest income from clients trade settlement bank accounts	(236)	(178)	32.6	(913)	(583)	56.6
- Interest income from investment in financial assets	(1)	(7)	(85.7)	(7)	(103)	(93.2)
- Interest income from receivables	(2)	(2)	-	(7)	(6)	16.7
	(305)	(274)	11.3	(1,202)	(1,003)	19.8
Finance cost						
- Interest expense on bank loans	73	152	(52.0)	495	173	186.1
- Interest expense on lease liabilities	189	1	NM	771	2	NM
	262	153	71.2	1,266	175	623.4
Lease expense	92	1,651	(94.4)	623	6,565	(90.5)
Foreign exchange (gain) / loss, net	(23)	51	NM	502	(1)	NM
Equity-settled share-based payment transactions, included in staff costs	769	633	21.5	3,022	2,380	27.0
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	-	-	NM	-	166	(100.0)
Equity-settled share-based payment transactions, included in other operating expenses	23	-	NM	54	-	NM
Gain on redemption of investment in financial assets at FVOCI, included in investment income	-	(125)	(100.0)	(11)	(142)	(92.3)
Dividend income on investment in financial assets at FVOCI, included in investment income	(140)	(189)	(25.9)	(584)	(732)	(20.2)
Net (gain) / loss on investment in financial assets at FVTPL, included in investment income	(356)	87	NM	(1,235)	(69)	NM
Dividend income on investment in associates	(9)	(9)	-	(36)	(36)	-

⁽¹⁾ amount less than \$1,000

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

	Group		Company	
	As at		As at	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	\$'000	\$'000	\$'000	\$'000
Assets				
Plant and equipment	3,689	3,254	161	107
Right-of-use assets	14,390	-	877	-
Intangible assets and goodwill	22,212	17,860	18,763	14,387
Subsidiaries	-	-	51,608	50,665
Associates	5,375	2,951	5,351	2,854
Other investments	5,329	5,062	1,189	972
Deferred tax assets	1,139	987	-	-
Prepayments and others	327	218	11	11
Total non-current assets	52,461	30,332	77,960	68,996
Current tax receivable	30	2	-	-
Other investments	19,144	24,116	16,440	16,115
Uncompleted contracts - buyers	24,246	10,958	-	-
Trade and other receivables	34,720	30,011	18,817	60,971
Prepayments	1,759	1,262	108	22
Money market funds	616	640	-	-
Cash at bank and in hand	24,195	60,661	2,765	4,156
Total current assets	104,710	127,650	38,130	81,264
Held under trust				
Client bank accounts	410,723	312,635	-	-
Client ledger balances	(410,723)	(312,635)	-	-
	-	-	-	-
Total assets	157,171	157,982	116,090	150,260
Equity				
Share capital	66,180	65,969	66,180	65,969
Reserves	23,877	19,595	19,369	18,290
Equity attributable to owners of the Company	90,057	85,564	85,549	84,259
Non-controlling interests	(421)	(209)	-	-
Total equity	89,636	85,355	85,549	84,259
Liabilities				
Deferred tax liabilities	1,928	1,588	1,628	1,272
Lease liabilities	10,755	8	69	-
Total non-current liabilities	12,683	1,596	1,697	1,272
Uncompleted contracts - sellers	24,195	10,929	-	-
Trade and other payables	20,955	21,080	24,219	27,375
Bank loans	3,806	37,354	3,806	37,354
Lease liabilities	4,366	5	819	-
Current tax payables	1,530	1,663	-	-
Total current liabilities	54,852	71,031	28,844	64,729
Total liabilities	67,535	72,627	30,541	66,001
Total equity and liabilities	157,171	157,982	116,090	150,260

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 31-Dec-19 \$'000		As at 31-Dec-18 \$'000	
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	4,366	-	5	-
Bank loans	-	3,806	-	37,354
	<u>4,366</u>	<u>3,806</u>	<u>5</u>	<u>37,354</u>

Amount repayable after one year

	Group			
	As at 31-Dec-19 \$'000		As at 31-Dec-18 \$'000	
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	10,755	-	8	-

The lease liabilities as at 31 December 2019 are secured over the right-of-use assets.

The unsecured bank loans are revolving bank loans that bear interest at rates ranging from 1.60% to 3.48% (2018: 1.55% to 4.00%) per annum in the year and are repayable within the next 12 months 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.

	Group		Group	
	4Q19 \$'000	4Q18 \$'000	FY19 \$'000	FY18 \$'000
Cash flows from operating activities				
Profit for the period / year	2,957	2,571	9,305	10,689
Adjustments for:				
Depreciation of plant and equipment	483	442	1,912	1,670
Depreciation of right-of-use assets	1,619	-	6,130	-
Amortisation of intangible assets	1,468	1,134	5,156	3,919
Equity-settled share-based payment transactions	792	633	3,076	2,546
Dividend income on investment in financial assets at FVOCI	(140)	(189)	(584)	(732)
Gain on redemption of investment in financial assets at FVOCI	-	(125)	(11)	(142)
Net gain on investment in financial assets at FVTPL	(356)	87	(1,235)	(69)
Share of results of associates, net of tax	(113)	(626)	47	(517)
Dividend income on investment in associates	(9)	(9)	(36)	(36)
Foreign exchange (gain) / loss, net	(23)	51	502	(1)
Plant and equipment written off	-	-	-	20
Loss on disposal of plant and equipment	-	-	1	-
Net finance (income) / cost	(43)	(121)	64	(828)
Tax expense	439	239	1,762	1,660
	7,074	4,087	26,089	18,180
Change in uncompleted contracts and trade and other receivables	(8,393)	741	(19,314)	(3,537)
Change in uncompleted contracts and trade and other payables	4,197	(1,471)	14,474	3,102
Cash generated from operations	2,878	3,357	21,249	17,745
Tax (paid) / refund	(29)	1	(1,725)	(1,085)
Interest received	305	284	1,202	997
Interest paid	(582)	(32)	(1,346)	(33)
Net cash from operating activities	2,572	3,610	19,380	17,624
Cash flows from investing activities				
Purchase of plant and equipment	(275)	(318)	(2,374)	(2,605)
Purchase of intangible assets	(1,613)	(1,693)	(9,735)	(6,836)
Proceeds from disposal of plant and equipment	-	-	1	-
Additional investment in associates	(332)	-	(2,497)	(836)
Dividend from associates	-	-	36	36
Purchase of investment in financial assets	(25,933)	(27,614)	(144,038)	(84,462)
Proceeds from redemption of investment in financial assets	37,736	24,131	150,265	75,730
Dividends received from investment in financial assets at FVOCI	2	10	6	17
Net cash from / (used in) investing activities	9,585	(5,484)	(8,336)	(18,956)
Cash flows from financing activities				
Proceeds from exercise of share options	43	127	211	424
Purchase of treasury shares	-	-	-	(151)
Drawdown of bank loans	3,805	27,372	3,805	37,262
Repayment of bank loans	(9,946)	-	(37,070)	-
Principal element of lease payments	(1,576)	(1)	(5,891)	(5)
Dividends paid to owners of the Company	(2,016)	(1,999)	(8,456)	(8,386)
Net cash (used in) / from financing activities	(9,690)	25,499	(47,401)	29,144
Net increase / (decrease) in cash and cash equivalents	2,467	23,625	(36,357)	27,812
Cash and cash equivalents at beginning of the period / year	22,562	37,858	61,301	33,498
Effect of exchange rate fluctuations on cash held	(218)	(182)	(133)	(9)
Cash and cash equivalents at end of the period / year	24,811	61,301	24,811	61,301

(1) Amount less than \$1,000

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

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total	Non-controlling interests	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 January 2019	65,969	(1,443)	(1,229)	2,113	2,957	(2,010)	(1,404)	20,611	85,564	(209)	85,355
Total comprehensive income for the year											
Profit / (Loss) for the year	-	-	-	-	-	-	-	9,515	9,515	(210)	9,305
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	321	-	-	-	-	-	-	321	-	321
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(11)	-	-	-	-	-	-	(11)	-	(11)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	-	-	(1)	-	-	-
Foreign currency translation differences for foreign operations	-	-	(198)	-	-	-	-	-	(198)	(2)	(200)
Share of other comprehensive income of associates	-	(1)	(26)	-	-	-	-	-	(27)	-	(27)
Total other comprehensive income	-	309	(224)	-	-	-	-	-	85	(2)	83
Total comprehensive income for the year	-	309	(224)	-	-	-	-	9,515	9,600	(212)	9,388
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	211	-	-	-	-	-	-	-	211	-	211
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Treasury shares re-issued	-	-	-	-	(1,286)	-	1,205	197	116	-	116
One-tier tax-exempt 2018 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,413)	(2,413)	-	(2,413)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,012)	(2,012)	-	(2,012)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,015)	(2,015)	-	(2,015)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,016)	(2,016)	-	(2,016)
Equity-settled share-based payment transactions	-	-	-	436	2,586	-	-	-	3,022	-	3,022
Total contributions by and distribution to owners	211	-	-	436	1,300	-	1,205	(8,259)	(5,107)	-	(5,107)
Total transactions with owners	211	-	-	436	1,300	-	1,205	(8,259)	(5,107)	-	(5,107)
At 31 December 2019	66,180	(1,134)	(1,453)	2,549	4,257	(2,010)	(199)	21,867	90,057	(421)	89,636

(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
	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	\$'000	
At 1 January 2018, as previously stated	65,545	(278)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,361	81,236	17	81,253
Effect of adoption of SFRS(I) 9	-	(155)	-	-	-	-	-	155	-	-	-
At 1 January 2018, as restated	65,545	(433)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,516	81,236	17	81,253
Total comprehensive income for the year											
Profit / (Loss) for the year	-	-	-	-	-	-	-	10,914	10,914	(225)	10,689
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(958)	-	-	-	-	-	-	(958)	-	(958)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(142)	-	-	-	-	-	-	(142)	-	(142)
Net change in fair value of financial assets at FVOCI transferred between reserves	-	92	-	-	-	-	-	(92)	-	-	-
Foreign currency translation differences for foreign operations	-	-	265	-	-	-	-	-	265	(1)	264
Share of other comprehensive income of associates	-	(2)	(16)	-	-	-	-	-	(18)	-	(18)
Total other comprehensive income	-	(1,010)	249	-	-	-	-	(92)	(853)	(1)	(854)
Total comprehensive income for the year	-	(1,010)	249	-	-	-	-	10,822	10,061	(226)	9,835
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	424	-	-	-	-	-	-	-	424	-	424
Purchase of treasury shares	-	-	-	-	-	-	(151)	-	(151)	-	(151)
Treasury shares re-issued	-	-	-	-	(1,945)	-	1,286	659	-	-	-
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,394)	(2,394)	-	(2,394)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,995)	(1,995)	-	(1,995)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,998)	(1,998)	-	(1,998)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,999)	(1,999)	-	(1,999)
Equity-settled share-based payment transactions	-	-	-	323	2,057	-	-	-	2,380	-	2,380
Total contributions by and distribution to owners	424	-	-	323	112	-	1,135	(7,727)	(5,733)	-	(5,733)
Total transactions with owners	424	-	-	323	112	-	1,135	(7,727)	(5,733)	-	(5,733)
At 31 December 2018	65,969	(1,443)	(1,229)	2,113	2,957	(2,010)	(1,404)	20,611	85,564	(209)	85,355

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 2019	65,969	(1,442)	1,564	2,957	(1,404)	16,615	84,259
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	6,474	6,474
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	321	-	-	-	-	321
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(11)	-	-	-	-	(11)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	(1)	-
Total other comprehensive income	-	310	-	-	-	-	310
Total comprehensive income for the year	-	310	-	-	-	6,474	6,784
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	211	-	-	-	-	-	211
Treasury shares re-issued	-	-	-	(1,286)	1,205	197	116
One-tier tax-exempt 2018 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,413)	(2,413)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,012)	(2,012)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,015)	(2,015)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,016)	(2,016)
Equity-settled share-based payment transactions	-	-	49	2,586	-	-	2,635
Total contributions by and distribution to owners	211	-	49	1,300	1,205	(8,259)	(5,494)
Total transactions with owners	211	-	49	1,300	1,205	(8,259)	(5,494)
At 31 December 2019	66,180	(1,132)	1,613	4,257	(199)	14,830	85,549

(1) Amount less than \$1,000

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

	Company						
	Attributable to owners of the Company						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2018, as previously stated	65,545	(279)	1,564	2,845	(2,539)	19,964	87,100
Effect of adoption of SFRS(I) 9	-	(155)	-	-	-	155	-
At 1 January 2018, as restated	65,545	(434)	1,564	2,845	(2,539)	20,119	87,100
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	4,315	4,315
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(958)	-	-	-	-	(958)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(142)	-	-	-	-	(142)
Net change in fair value of financial assets at FVOCI transferred between reserves	-	92	-	-	-	(92)	-
Total other comprehensive income	-	(1,008)	-	-	-	(92)	(1,100)
Total comprehensive income for the year	-	(1,008)	-	-	-	4,223	3,215
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	424	-	-	-	-	-	424
Purchase of treasury shares	-	-	-	-	(151)	-	(151)
Treasury shares re-issued	-	-	-	(1,945)	1,286	659	-
One-tier tax-exempt 2017 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,394)	(2,394)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(1,995)	(1,995)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(1,998)	(1,998)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(1,999)	(1,999)
Equity-settled share-based payment transactions	-	-	-	2,057	-	-	2,057
Total contributions by and distribution to owners	424	-	-	112	1,135	(7,727)	(6,056)
Total transactions with owners	424	-	-	112	1,135	(7,727)	(6,056)
At 31 December 2018	65,969	(1,442)	1,564	2,957	(1,404)	16,615	84,259

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 December 2019 excluding treasury shares and subsidiary holdings was 268,732,479 ordinary shares (30 September 2019: 268,652,979 ordinary shares). The movements in the Company's share capital during the fourth quarter ended 31 December 2019 were as follows:

	Number of ordinary shares
As at 30 September 2019	268,652,979
Exercise of share options	79,500
Vesting of performance shares	-
Re-issue of treasury shares	-
As at 31 December 2019	<u><u>268,732,479</u></u>

iFAST Employee Share Option Scheme and iFAST Share Option Schemes 2003 and 2013 ("iFAST ESOS")

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

	Number of share options
As at 30 September 2019	4,815,640
Share options granted	-
Exercised	(79,500)
Forfeited	-
As at 31 December 2019	<u><u>4,736,140</u></u>

As at 31 December 2019, the number of outstanding share options under the iFAST ESOS was 4,736,140 (31 December 2018: 3,852,940).

iFAST Corporation Performance Share Plan ("iFAST PSP")

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

	Number of performance shares
As at 30 September 2019	7,776,800
Performance shares granted but not vested	-
Vested	-
Forfeited	(128,400)
As at 31 December 2019	<u><u>7,648,400</u></u>

As at 31 December 2019, the number of outstanding performance shares granted but not vested under the iFAST PSP was 7,648,400 (31 December 2018: 6,394,300).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 30 September 2019	224,100
Purchased by way of on-market acquisition	-
Purchased by way of off-market acquisition	-
Re-issued	-
As at 31 December 2019	<u><u>224,100</u></u>

As at 31 December 2019, 224,100 (31 December 2018: 1,580,800) 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 16 April 2019.

The Company has no subsidiary holdings as at 31 December 2019 and 31 December 2018.

As at 31 December 2019, the treasury shares held by the Company represented 0.1% (31 December 2018: 0.6%) 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-Dec-19	As at 31-Dec-18
Total number of issued shares excluding treasury shares and subsidiary holdings	<u><u>268,732,479</u></u>	<u><u>266,776,679</u></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 fourth quarter ended 31 December 2019.

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 December 2019.

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 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 has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)s"), amendments and interpretations of SFRS(I)s that are effective for financial year beginning on 1 January 2019.

The adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following.

Adoption of SFRS(I) 16 Leases

The Group has adopted SFRS(I) 16, which is effective for financial year beginning on 1 January 2019, using the modified retrospective approach and did not restate comparative amounts for financial year beginning on 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lessee accounting model. It has resulted in almost all leases, except for short-term leases and leases of low value assets, being recognised on the balance sheet and the distinction between operating and finance leases is removed. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

In compliance with SFRS(I) 16, the Group has applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 January 2019, adjusted by the

amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. Subsequent to initial recognition, the Group depreciates the ROU assets over the shorter of the useful life of the ROU assets and the lease term, and recognises interest expense on the lease liabilities, lease payments and any reassessment or lease modifications.

The adoption of SFRS(l) 16 resulted in adjustments to the Group's statement of financial position as at 1 January 2019. The differences from the Group's statement of financial position as previously reported at 31 December 2018 are as follows:

	1-Jan-19 \$'000
Group	
Decrease in plant and equipment	(25)
Increase in right-of-use assets	16,358
Increase in lease liabilities	(16,828)
Decrease in trade and other payables	495
Change in total equity	<u><u>-</u></u>

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.

	4Q19	4Q18	FY19	FY18
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	268,703,979	266,673,929	268,178,072	266,045,476
Basic earnings per share (cents)	1.12	0.98	3.55	4.10
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	274,672,958	272,717,265	274,882,044	272,095,269
Diluted earnings per share (cents)	1.09	0.96	3.46	4.01

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-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Net asset value per ordinary share (cents)	<u>33.51</u>	<u>32.07</u>	<u>31.83</u>	<u>31.58</u>

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

The performance of global financial markets improved in the fourth quarter ended 31 December 2019 ("4Q19"). This was supported by optimism over the prospects for a US-China trade deal in the quarter.

The Group recorded revenue of \$33.82 million for 4Q19, 20.8% higher than the fourth quarter last year ("4Q18"). The stronger performance of the Group in the second half year of 2019 ("2H19") offset the weak performance of the Group at the beginning of the year and drove the Group's revenue growth of 3.4% for the full year of 2019 ("FY19"), compared to last year ("FY18").

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").

	4Q19	Group	Change	FY19	Group	Change
	\$'000	4Q18	%	\$'000	FY18	%
		\$'000			\$'000	
Business-to-Customer business	5,457	4,493	21.5	20,896	18,524	12.8
Business-to-Business business	28,361	23,494	20.7	104,515	102,719	1.7
Total revenue	33,818	27,987	20.8	125,411	121,243	3.4

For B2C division, its revenue was up 21.5% year-on-year ("YoY") in 4Q19 and 12.8% YoY in FY19. These were due mainly to an increase in transaction fees resulting from increased investment subscription from customers in newer products including bonds, exchange-traded funds ("ETFs"), stocks, discretionary portfolio management services ("DPMS"), cash management solution ("Auto-Sweep Account") and higher interest income arising from increased clients' assets under administration ("AUA") during the year, as well as the significant increase of 129.3% YoY in customers' investment subscription in UTs in 4Q19 compared to 4Q18.

For B2B division, its gross revenue grew 20.7% YoY in 4Q19. The continued strong performance in customers' investment subscription in UTs in 4Q19, following the uptrend in the third quarter of 2019 ("3Q19"), offset the impact of the drop in customers' investment subscription in UTs in the first half year of 2019 ("1H19"). The gross revenue of B2B division was up 1.7% YoY in FY19. The impact of trade volume of customers' investment subscription in UTs on the gross revenue of B2B division is more significant than B2C division, as the weighing of front-end commission income in total revenue of B2B division is higher than B2C division. In addition, the sales from newer products, including ETFs, insurance products and financial technology ("Fintech") solutions sector continued growing in the year.

The Group's AUA was up 5.9% quarter-on-quarter ("QoQ") to reach a new milestone of \$10.00 billion as at 31 December 2019, contributed by the Group's continuous efforts in improving the range and depth of investment products and services and strengthening the Fintech capabilities of its platforms in the various markets in recent years, besides the improvement of financial market sentiment in the quarter.

Commission and fee paid or payable to third party financial advisers

Commission and fee paid or payable to third party financial advisers increased by 28.0% from \$13.17 million in 4Q18 to \$16.86 million in 4Q19, but still dropped by 2.3% from \$61.62 million in FY18 to \$60.21 million in FY19. This is substantially in line with the changes in front-end commission income from UT business in B2B division 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 substantial portion of front-end commission income and

transaction fee from B2B customers is payable to third party financial advisers. After deducting commission and fee paid or payable to third party financial advisers, the net revenue of \$16.96 million in 4Q19 was 14.4% higher than 4Q18 and the net revenue of \$65.20 million in FY19 was 9.4% higher than FY18, with the breakdown by business divisions as follows.

	Group			Group		
	4Q19 \$'000	4Q18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Business-to-Customer business	5,457	4,493	21.5	20,896	18,524	12.8
Business-to-Business business	11,502	10,328	11.4	44,306	41,096	7.8
Total net revenue	<u>16,959</u>	<u>14,821</u>	<u>14.4</u>	<u>65,202</u>	<u>59,620</u>	<u>9.4</u>

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 4Q19, 80.9% of net revenue is derived from recurring net revenue and 19.1% is from non-recurring net revenue. In FY19, 81.2% of net revenue is derived from recurring net revenue and 18.8% is from non-recurring net revenue.

	Group			Group		
	4Q19 \$'000	4Q18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Recurring net revenue	13,719	11,942	14.9	52,942	48,319	9.6
Non-recurring net revenue	3,240	2,879	12.5	12,260	11,301	8.5
Total net revenue	<u>16,959</u>	<u>14,821</u>	<u>14.4</u>	<u>65,202</u>	<u>59,620</u>	<u>9.4</u>

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 and net interest income arising from clients' AUA. The YoY increase in recurring net revenue in 4Q19 and FY19 was due mainly to an increase in average AUA for both B2B business and B2C business during the year, which benefited from new inflows of investments from customers over the year. The total inflows of customer investments, net of outflows of customer investments, during FY19 were 24.1% higher than FY18. The average AUA of the Group grew 9.9% YoY to \$8.92 billion in FY19.

Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commission or transaction fee; service fee arising from the provision of currency conversion administration services to customers and the provision of administration services to FA 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 fee from provision of IT Fintech solutions to business partners. The increase in non-recurring net revenue in FY19 was due mainly to an increase in financial institution clients' investment subscription in UTs in 2H19 and the growth of business in newer products (including bonds, ETFs and insurance products) and the Fintech service sector in FY19.

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

	Group			Group		
	4Q19 \$'000	4Q18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Singapore	10,810	9,366	15.4	41,951	39,298	6.8
Hong Kong	4,543	3,600	26.2	16,716	14,257	17.2
Malaysia	1,431	1,700	(15.8)	5,969	5,319	12.2
	<u>16,784</u>	<u>14,666</u>	<u>14.4</u>	<u>64,636</u>	<u>58,874</u>	<u>9.8</u>
China	175	155	12.9	566	746	(24.1)
Total net revenue	<u>16,959</u>	<u>14,821</u>	<u>14.4</u>	<u>65,202</u>	<u>59,620</u>	<u>9.4</u>

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's net revenue. Besides the significant increase of 69.2% YoY in customers' investment subscription in UTs in 4Q19, higher YoY growth in the business of new products and services launched in recent years, including the newly launched cash management solution service through the FSM Auto-Sweep Account, and higher contributions from net interest income arising

from increased clients' AUA led to the YoY growth in the net revenue in Singapore operation in 4Q19 and FY19. The average AUA of Singapore operation grew 9.7% YoY to \$5.98 billion in FY19.

In Hong Kong, following the launch of the US stock trading capabilities last year, the investment trading volume in ETFs and stocks continued to increase in 4Q19 and FY19. In addition, besides an increase in net interest income arising from increased clients' AUA in the year, insurance business in B2B division grew significantly in FY19. The net revenue in Hong Kong operation grew 26.2% YoY in 4Q19 and 17.2% YoY in FY19. The average AUA of Hong Kong operation grew 8.6% YoY to \$2.09 billion in FY19.

In Malaysia, the IT solution fee from Fintech solution provision to business partners decreased by \$0.56 million in 4Q19 compared to 4Q18, as some IT projects, including a project provided to the Employees Provident Fund ("EPF") in Malaysia, have completed before 4Q19. It resulted in a drop of 15.8% YoY in net revenue in Malaysia operation in 4Q19. However, the bond business continued growing significantly in the year of 2019, following a launch of retail bonds under New Securities Commission Seasoning Framework in the market on 4 April 2019. The EPF in Malaysia launched its i-Invest online platform for investors to transact UTs online in 3Q19, and iFAST Malaysia operation is one of two institutional UT agents appointed by the EPF to serve investors to trade UTs through their EPF accounts. The UT business continued growing and the amount of customers' investment subscription in UTs increased 42.1% YoY in 4Q19. All those contributed to the increase of 12.2% YoY in net revenue in Malaysia operation in the full year of 2019, despite the YoY decrease in IT solution fee in 4Q19. The average AUA of Malaysia operation grew 20.7% YoY to \$0.75 billion in FY19.

In China, following some inflows of investments from institutional clients seen in 3Q19, there was a strong growth momentum for the B2B business (including in-house wealth advisers business) in 4Q19, benefitting from an easing in geopolitical concerns between US and China. Although the net revenue in China operation dropped 24.1% YoY in FY19, its net revenue grew 12.9% YoY and 22.4% QoQ in 4Q19. The average AUA of China operation was down 18.1% YoY in FY19, but its AUA rebounded during recent months and grew 16.1% YoY at the end of 2019.

Other income

Other income increased by \$0.26 million or 95.5% from \$0.26 million in 4Q18 to \$0.52 million in 4Q19 and \$0.88 million or 75.3% from \$1.16 million in FY18 to \$2.04 million in FY19, due mainly to higher investment income on investment in financial assets at FVTPL in the period.

Operating expenses

Excluding China operation, operating expenses increased in both 4Q19 and FY19, due mainly to the Group's increased efforts in enhancing its platform capabilities including improving the range and depth of investment products and services being provided to customers in the existing markets over the period so as to strengthen the Fintech Ecosystem of the Group and scale up the businesses of the Group further. However, the pace at which the Group's operating expenses increase has moderated in 4Q19. Although the Group's operating expenses increased 14.3% from \$44.12 million in FY18 to \$50.43 million in FY19, the operating expenses increased 9.5% from \$11.68 million in 4Q18 to \$12.79 million in 4Q19 and decreased 2.1% QoQ in 4Q19 compared to 3Q19.

For our China operation, operating expenses increased by \$0.10 million or 7.7% from \$1.35 million in 4Q18 to \$1.45 million in 4Q19, and kept flat in FY19 compared to FY18. The Group is continuing to spend efforts in building its brand and business in the China market with more effective cost structures.

Overall, the Group's total operating expenses increased by \$1.22 million or 9.3% from \$13.02 million in 4Q18 to \$14.24 million in 4Q19 and \$6.28 million or 12.6% from \$49.78 million in FY18

to \$56.06 million in FY19. The following table shows the breakdown of the Group's operating expenses by its existing markets and China market.

	Group			Group		
	4Q19 \$'000	4Q18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Operating expenses (excluding China operation)	12,787	11,677	9.5	50,430	44,119	14.3
Operating expenses in China operation	1,448	1,345	7.7	5,633	5,660	(0.5)
Total operating expenses	14,235	13,022	9.3	56,063	49,779	12.6

Depreciation of plant and equipment increased by \$0.04 million or 9.3% from \$0.44 million in 4Q18 to \$0.48 million in 4Q19 and \$0.24 million or 14.5% from \$1.67 million in FY18 to \$1.91 million in FY19. Amortisation of intangible assets increased by \$0.34 million or 29.5% from \$1.13 million in 4Q18 to \$1.47 million in 4Q19 and \$1.24 million or 31.6% from \$3.92 million in FY18 to \$5.16 million in FY19. 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 amounting to \$1.62 million and \$6.13 million was recognised in 4Q19 and FY19 respectively, due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

Staff costs increased by \$0.75 million or 10.7% from \$7.09 million in 4Q18 to \$7.84 million in 4Q19 and \$3.54 million or 13.4% from \$26.44 million in FY18 to \$29.98 million in FY19, due mainly to the annual salary increment adjusted in January 2019, the increased number of staff over the period, and the increased equity-settled share-based payment transactions resulting from another batches of performance shares granted to the Group's employees in FY19.

Other operating expenses decreased by \$1.54 million or 35.3% from \$4.36 million in 4Q18 to \$2.82 million in 4Q19 and \$4.87 million or 27.4% from \$17.75 million in FY18 to \$12.88 million in FY19, due mainly to a decrease in lease expense in the period following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5. These were partially offset by increases in advertising, IT services and bank charges to support the growth of the Group's business, and the higher foreign exchange loss arising from the financing support in the year.

Net finance income / (cost)

Finance income increased by \$0.04 million or 11.3% from \$0.27 million in 4Q18 to \$0.31 million in 4Q19 and \$0.20 million or 19.8% from \$1.00 million in FY18 to \$1.20 million in FY19. These were due mainly to higher interest income from clients trade settlement bank accounts resulting from increased clients trade volume over the period, partially offset by lower interest income from investment in financial assets arising from redemptions of some bond investments at FVOCI over the period and lower interest income from cash and cash equivalents due to the lower prevailing market interest rate during the period.

Finance cost comprised interest expense of \$0.07 million on bank loans and interest expense of \$0.19 million on lease liabilities in 4Q19 compared to interest expense of \$0.15 million on bank loans in 4Q18. Finance cost comprised interest expense of \$0.50 million on bank loans and interest expense of \$0.77 million on lease liabilities in FY19 compared to interest expense of \$0.17 million on bank loans in FY18. The bank loans taken up in the second half year of 2018 were mainly for the financing of the initial capital for the VB business that the Group was pursuing in Hong Kong. The major portion of the bank loans was repaid in FY19, after the receipt of Hong Kong Monetary Authority ("HKMA")'s update that we were not among the first batch of companies shortlisted for the processing of the VB licence application. The interest expense on lease liabilities was recognised in the period, following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

Overall, net finance income of \$0.04 million was recorded in 4Q19 compared to \$0.12 million in 4Q18, and net finance cost of \$0.06 million was incurred in FY19 while net finance income of \$0.83 million was in FY18.

Share of results of associates, net of tax

The Group's share of results after tax of associates comprised share of results of associates, namely Provident Holding Pte Ltd ("Provident") and iFAST India Holdings Pte Ltd in both FY18 and FY19.

The share of profit after tax of associates amounted to \$0.11 million in 4Q19 but the share of loss after tax of associates amounted to \$0.05 million in FY19, while the share of profit after tax of associates amounted to \$0.63 million in 4Q18 and \$0.52 million in FY18. These were due mainly to some positive development achieved in the group of Provident in 2H19 and the Group's share of a one-off gain in Provident amounting to \$0.74 million, which resulted from a sale of Provident's online insurance platform to a joint venture entity between Provident and NTUC Enterprise Co-operative Ltd in 4Q18.

There was no significant YoY change in the results of iFAST India Holdings Pte Ltd in both 4Q19 and FY19. 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 28.16 billion (equivalent to \$532 million) as at 31 December 2019, growing at a 5-year compound annual growth rate ("CAGR") of approximately 30.2%. The Group's effective shareholding in iFAST India has been increased from 19.3% as at 31 December 2018 to 35.9% as at 31 December 2019, following some additional investments in India business in FY19.

Profit for the period / year, 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.

	Group			Group		
	4Q19 \$'000	4Q18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Singapore	2,425	2,194	10.5	9,957	11,862	(16.1)
Hong Kong	1,605	773	107.6	4,423	3,420	29.3
Malaysia	534	386	38.3	1,762	1,370	28.6
Other ⁽¹⁾	113	627	(82.0)	(47)	517	NM
Profit before tax (excluding China operation)	4,677	3,980	17.5	16,095	17,169	(6.3)
Tax expense	(439)	(239)	83.7	(1,762)	(1,660)	6.1
Net profit after tax (excluding China operation)	4,238	3,741	13.3	14,333	15,509	(7.6)
China operation ⁽²⁾	(1,237)	(1,117)	10.7	(4,818)	(4,595)	4.9
Net profit after tax (including China operation)	3,001	2,624	14.4	9,515	10,914	(12.8)

Notes:

(1) Referring to share of results of associates.

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

Overall, excluding China operation, although the Group's profit before tax decreased by \$1.07 million or 6.3% from \$17.17 million in FY18 to \$16.10 million in FY19, the Group's profit before tax increased by \$0.70 million or 17.5% from \$3.98 million in 4Q18 to \$4.68 million in 4Q19. The lower profitability of the Group, especially Singapore operation, in FY19 was due mainly to the combined effects of the lower growth of net revenue in 1H19 due to the short-term market volatility resulting from a sharp sell-down of global financial markets in 4Q18 and the higher operating expenses due to continuing efforts in enhancing platform Fintech capabilities and improving the range of investment products and services over the year to suit the ongoing market demand. However, the higher growth of net revenue in 4Q19 resulting from the improved market sentiment and the lower pace of the increase in operating expenses in the quarter led to the higher profitability of the Group in 4Q19.

Tax expense increased by \$0.20 million or 83.7% YoY in 4Q19 and \$0.10 million or 6.1% YoY in FY19, due mainly to lower deferred tax assets recognised by Hong Kong and Malaysia operations in the period resulting from the lower amount of remaining unutilised tax losses as at 31 December 2019.

China operation is continuing to build iFAST brand and business in both onshore Chinese market and offshore Chinese market. Resulting from the improved market sentiment in the China market in 4Q19 due to an easing of US-China trade tensions in late 2019, the net revenue of China business grew significantly in 4Q19 compared to 3Q19, although the net loss of China operation still increased in both 4Q19 and FY19.

Including China operation and tax expense, the Group's net profit after tax decreased by \$1.39 million or 12.8% from \$10.91 million in FY18 to \$9.52 million in FY19, while its net profit after tax increased by \$0.38 million or 14.4% from \$2.62 million in 4Q18 to \$3.00 million in 4Q19.

Statement of Financial Position

The shareholders' equity of the Group increased to \$90.06 million as at 31 December 2019 from \$85.56 million as at 31 December 2018. This was due mainly to contribution of net profit generated in FY19 and an increase in fair value of financial assets at FVOCI in the year, partially offset by payments of dividends in FY19.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans, decreased to \$40.15 million as at 31 December 2019 from \$48.06 million as at 31 December 2018. This was due mainly to payments of additional investments in an associate, additions of plant and equipment and intangible assets, office leases and dividends in FY19, partially offset by net cash generated from operating activities in the year.

Current assets decreased to \$104.71 million as at 31 December 2019 from \$127.65 million as at 31 December 2018. This was due mainly to a decrease in cash and cash equivalents at end of the year, partially offset by increases in investments in financial assets and receivables from uncompleted contracts on securities dealing at end of the year.

Non-current assets increased to \$52.46 million as at 31 December 2019 from \$30.33 million as at 31 December 2018. The increase was due mainly to additions of plant and equipment and intangible assets (including internally-developed IT software assets) in FY19, additional investment in an associate in FY19 and the recognition of right-of-use assets in the year following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

Total liabilities decreased to \$67.54 million as at 31 December 2019 from \$72.63 million as at 31 December 2018. This was due mainly to repayment of some bank loans in FY19, partially offset by increases in payables from uncompleted contracts on securities dealing at end of the year and significant increases in lease liabilities in the year following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

Consolidated Statement of Cash Flows

Net cash from operating activities decreased from \$3.61 million in 4Q18 to \$2.57 million in 4Q19. This was due mainly to cash outflows for funding of some clients trade with cross-month settlement at the end of the year, partially offset by higher cash generated from daily business operations in the quarter. However, net cash from operating activities still increased from \$17.62 million in FY18 to \$19.38 million in FY19 due to higher cash generated from daily business operations in the year, despite some funding of clients trade with cross-month settlement at the end of the year. The higher cash generated from daily business operations in 4Q19 and FY19, compared to the same period of last year, was partially due to the principal element of operating lease payments (categorised under cash flows from operating activities in the years before 2019)

being moved to the category of cash flows from financing activities in the period following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

Net cash from investing activities was \$9.59 million in 4Q19 while net cash used in investing activities was \$5.48 million in 4Q18, and net cash used in investing activities decreased from \$18.96 million in FY18 to \$8.34 million in FY19. These were due mainly to the movement of cash flows arising from investment in financial assets classified at FVTPL at the end of reporting period and additional investments in an associate in 4Q19 and FY19.

Net cash used in financing activities was \$9.69 million in 4Q19 and \$47.40 million in FY19 while net cash from financing activities was \$25.50 million in 4Q18 and \$29.14 million in FY18, due mainly to repayments of some bank loans drawn down in the second half year of 2018 in the period and the higher lease payments under cash flows from financing activities in the period following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

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 started 2019 on a weak footing, but saw significant improvements as the year progressed. At the end of 2019, the Group's assets under administration ("AUA") grew 24.2% YoY to a new record high of \$10.00 billion.

Record AUAs have been achieved in Singapore, Hong Kong and Malaysia, as our businesses have benefited from our continuous efforts in improving the range and depths of our products and services.

The Group's net revenue has also continued to grow, hitting a new record high of \$16.96 million in 4Q19. The Group's net profit saw a YoY increase of 14.4% to \$3.00 million in 4Q2019, though net profit for the full year of 2019 was down 12.8% YoY due to a poor first half in 2019.

In the last three years, the Group's AUA has increased approximately 64% from \$6.10 billion at the end of 2016 to \$10.00 billion as of end 2019. Net revenue has also grown by 60.2% from \$40.69 million in 2016 to \$65.20 million in 2019.

The growth trends in Group's net profits has however not been as obvious in the last few years, resulting from the fact that we have prioritised our efforts to further invest in and enhance our regional platform capabilities.

While we expect to continue to improve on upgrading our regional platform capabilities further, including laying the initial foundations to be a digital/virtual bank, we expect that over the next 12 months, the pace at which the Group operating expenses will be increasing will moderate. This is because a large part of the key infrastructure that is required for an integrated wealth management platform is already in place.

Based on current estimates, we project that the Group's operating expenses will increase by approximately 6.8% to 9.5% YoY and amount to approximately \$59.9 million to \$61.4 million in 2020. The estimated percentage increase will be significantly lower than the double digit percentage YoY increases in operating expenses that we have been seeing in the last few years. This, however, does not take into account the application for the digital banking license in

Singapore, which may affect expenses from the second half of 2020 if the application is successful.

Overall, the Group believes that growth opportunities in Asia's wealth management industry remains very substantial, and we are well-positioned to benefit from these opportunities in the medium to long term. Continuing growth in our AUA and net revenues, combined with a moderation in the pace of increase of operating expenses, will allow us to better see the benefits of our scalable business model.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend rate	0.90 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	Final
Dividend type	Cash
Dividend rate	0.90 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The proposed final dividend will be paid on 19 May 2020 subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 23 April 2020.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 6 May 2020 for the preparation of dividend warrants to the proposed final 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 5 May 2020 ("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 Proposed Final 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 Proposed Final 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.

The Company refers to the net proceeds of \$48.0 million (excluding share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million) raised from the IPO on the SGX-ST on 11 December 2014 and the Company’s re-allocation of the net IPO proceeds announced on 27 October 2018. The following table sets out our use of the net IPO proceeds up to 31 December 2019.

	Allocation of IPO proceeds	Amount reallocated on 26 October 2018	IPO proceeds utilised as at 31 December 2019	Balance of IPO proceeds
Use of net proceeds	\$' million	\$' million	\$' million	\$' million
Mergers and acquisitions strategy	27.2	19.2	14.0	5.2
Expansion of our business in the Chinese market	7.0	7.0	7.0	-
Enhancement of our product capabilities, IT and services	8.0	16.0	16.0	-
Working capital purposes	5.8	5.8	5.8 ⁽²⁾	-
Net Proceeds	48.0 ⁽¹⁾	48.0	42.8	5.2

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 \$5.2 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. Segmented revenue and results for business segments or geographical segments (of the group) in the form presented in the issuers’ most recent audited financial statements, with comparative information for the immediately preceding year.

Geographical segments	Singapore	Hong Kong	Malaysia	China	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
FY19					
Revenue and expenses					
Revenue from external customers	78,608	35,003	11,224	576	125,411
Inter-segment revenue	1,773	50	2,460	67	4,350
Total revenue	<u>80,381</u>	<u>35,053</u>	<u>13,684</u>	<u>643</u>	<u>129,761</u>
Finance income	893	97	175	37	1,202
Depreciation of plant and equipment	(917)	(421)	(369)	(205)	(1,912)
Depreciation of right-of-use assets	(2,721)	(2,374)	(540)	(495)	(6,130)
Amortisation of intangible assets	(4,972)	(113)	(38)	(33)	(5,156)
Reportable segment profit / (loss) before tax	9,957	4,423	1,762	(5,028)	11,114
Share of results of associates	(47)	-	-	-	(47)
Assets and liabilities					
Reportable segment assets	89,612	40,330	13,684	8,170	151,796
Equity-accounted associates	5,375	-	-	-	5,375
Capital expenditure	10,005	516	921	459	11,901
Reportable segment liabilities	<u>34,009</u>	<u>27,061</u>	<u>3,492</u>	<u>2,973</u>	<u>67,535</u>
FY18					
Revenue and expenses					
Revenue from external customers	81,531	28,487	10,479	746	121,243
Inter-segment revenue	1,698	41	2,131	54	3,924
Total revenue	<u>83,229</u>	<u>28,528</u>	<u>12,610</u>	<u>800</u>	<u>125,167</u>
Finance income	756	76	130	41	1,003
Depreciation of plant and equipment	(760)	(338)	(247)	(325)	(1,670)
Amortisation of intangible assets	(3,594)	(130)	(45)	(150)	(3,919)
Reportable segment profit / (loss) before tax	11,862	3,420	1,370	(4,820)	11,832
Share of results of associates	517	-	-	-	517
Assets and liabilities					
Reportable segment assets	74,110	69,086	5,611	6,224	155,031
Equity-accounted associates	2,951	-	-	-	2,951
Capital expenditure	8,224	2,175	299	29	10,727
Reportable segment liabilities	<u>60,608</u>	<u>8,823</u>	<u>2,682</u>	<u>514</u>	<u>72,627</u>

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8 for the analysis.

18. A breakdown of sales.

	FY19 \$'000	Group FY18 \$'000	Change %
Revenue reported for first half year	57,827	61,880	(6.5)
Net revenue reported for first half year	31,392	29,334	7.0
Profit after tax before deducting non-controlling interests reported for first half year	3,941	5,578	(29.3)
Revenue reported for second half year	67,584	59,363	13.8
Net revenue reported for second half year	33,810	30,286	11.6
Profit after tax before deducting non-controlling interests reported for second half year	5,364	5,111	5.0

19. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY19 \$'000	FY18 \$'000
Ordinary dividend	8,462 *	8,405

* Including the proposed final dividend for FY19 which is estimated based on total issued ordinary shares (excluding treasury shares) of 268,732,479 at the end of the financial year.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Wee Kiong	47	Brother of Lim Wee Kian, a director of the Company	He was General Manager of Platform Services Singapore since 2006 and promoted to Managing Director of Platform Services Singapore on 17 Feb 2016, and has been appointed as a Director of iFAST Financial Pte Ltd, a subsidiary of the Company, from 22 March 2016. Being responsible for platform services of the Group's Singapore operation as well as overseeing the overall performance of the whole Singapore operation.	Nil

BY ORDER OF THE BOARD

Leung Fung Yat, David
Chief Financial Officer
20 February 2020