



**iFAST Corporation Ltd.  
and its Subsidiaries**

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

**Unaudited Third Quarter and Nine Months ended  
30 September 2020  
Financial Statements Announcement**

## Third Quarter 2020 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 third quarter and nine months ended 30 September 2020

	3Q20 \$'000	Group 3Q19 \$'000	Change %	9M20 \$'000	Group 9M19 \$'000	Change %
Revenue	44,996	33,766	33.3	122,026	91,593	33.2
Commission and fee paid or payable to third party financial advisers and securities brokerage expense	(22,130)	(16,915)	30.8	(60,501)	(43,350)	39.6
	<b>22,866</b>	<b>16,851</b>	<b>35.7</b>	<b>61,525</b>	<b>48,243</b>	<b>27.5</b>
Other income	1,266	439	188.4	3,647	1,523	139.5
Depreciation of plant and equipment	(457)	(483)	(5.4)	(1,441)	(1,429)	0.8
Depreciation of right-of-use assets	(1,837)	(1,620)	13.4	(5,262)	(4,511)	16.6
Amortisation of intangible assets	(1,688)	(1,296)	30.2	(4,867)	(3,688)	32.0
Staff costs	(9,619)	(7,665)	25.5	(26,741)	(22,142)	20.8
Other operating expenses	(3,094)	(3,409)	(9.2)	(9,370)	(10,058)	(6.8)
<b>Results from operating activities</b>	<b>7,437</b>	<b>2,817</b>	<b>164.0</b>	<b>17,491</b>	<b>7,938</b>	<b>120.3</b>
Finance income	148	319	(53.6)	698	897	(22.2)
Finance costs	(209)	(292)	(28.4)	(615)	(1,004)	(38.7)
Net finance (costs) / income	(61)	27	NM	83	(107)	NM
Share of results of associates, net of tax	(68)	87	NM	(142)	(160)	(11.3)
<b>Profit before tax</b>	<b>7,308</b>	<b>2,931</b>	<b>149.3</b>	<b>17,432</b>	<b>7,671</b>	<b>127.2</b>
Tax expense	(1,195)	(524)	128.1	(3,242)	(1,323)	145.0
<b>Profit for the period</b>	<b>6,113</b>	<b>2,407</b>	<b>154.0</b>	<b>14,190</b>	<b>6,348</b>	<b>123.5</b>
<b>Profit attributable to:</b>						
<b>Owners of the Company</b>	<b>6,164</b>	<b>2,460</b>	<b>150.6</b>	<b>14,327</b>	<b>6,514</b>	<b>119.9</b>
Non-controlling interests	(51)	(53)	(3.8)	(137)	(166)	(17.5)
<b>Profit for the period</b>	<b>6,113</b>	<b>2,407</b>	<b>154.0</b>	<b>14,190</b>	<b>6,348</b>	<b>123.5</b>

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 third quarter and nine months ended 30 September 2020**

	3Q20	Group 3Q19	Change	9M20	Group 9M19	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period</b>	<b>6,113</b>	<b>2,407</b>	<b>154.0</b>	<b>14,190</b>	<b>6,348</b>	<b>123.5</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-debt investments at FVOCI	5	(3)	NM	(98)	8	NM
Net change in fair value of financial assets-debt investments at FVOCI reclassified to profit or loss	-	-	NM	133	(11)	NM
Foreign currency translation differences for foreign operations	(270)	335	NM	471	170	177.1
Share of other comprehensive income of associates	(4)	(14)	(71.4)	(30)	(14)	114.3
	(269)	318	NM	476	153	211.1
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Net change in fair value of financial assets-equity investments at FVOCI	51	(33)	NM	(678)	413	NM
	51	(33)	NM	(678)	413	NM
Other comprehensive income for the period, net of tax	(218)	285	NM	(202)	566	NM
<b>Total comprehensive income for the period</b>	<b>5,895</b>	<b>2,692</b>	<b>119.0</b>	<b>13,988</b>	<b>6,914</b>	<b>102.3</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>5,941</b>	<b>2,746</b>	<b>116.4</b>	<b>14,126</b>	<b>7,081</b>	<b>99.5</b>
Non-controlling interests	(46)	(54)	(14.8)	(138)	(167)	(17.4)
<b>Total comprehensive income for the period</b>	<b>5,895</b>	<b>2,692</b>	<b>119.0</b>	<b>13,988</b>	<b>6,914</b>	<b>102.3</b>

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

	3Q20 \$'000	Group 3Q19 \$'000	Change %	9M20 \$'000	Group 9M19 \$'000	Change %
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>						
Other income						
- Net investment income	(203)	(390)	(47.9)	(899)	(1,361)	(33.9)
- Government grant	(992)	(37)	NM	(2,647)	(126)	NM
- Miscellaneous income	(71)	(12)	491.7	(101)	(36)	180.6
	(1,266)	(439)	188.4	(3,647)	(1,523)	139.5
Finance income						
- Interest income from cash and cash equivalents	(27)	(60)	(55.0)	(126)	(209)	(39.7)
- Interest income from clients trade settlement bank accounts	(116)	(255)	(54.5)	(556)	(677)	(17.9)
- Interest income from investment in financial assets	(2)	(3)	(33)	(6)	(6)	-
- Interest income from receivables	(3)	(1)	200	(10)	(5)	100.0
	(148)	(319)	(53.6)	(698)	(897)	(22.2)
Finance costs						
- Interest expense on bank loans	12	87	(86.2)	50	422	(88.2)
- Interest expense on lease liabilities	197	205	(3.9)	565	582	(2.9)
	209	292	(28.4)	615	1,004	(38.7)
Lease expense	9	62	(85.5)	29	531	(94.5)
Foreign exchange loss / (gain), net	72	92	(21.7)	(48)	525	NM
Equity-settled share-based payment transactions, included in staff costs	791	816	(3.1)	2,287	2,253	1.5
Equity-settled share-based payment transactions, included in other operating expenses	61	23	165.2	133	31	329.0
Impairment loss on investment in financial assets at FVOCI, included in other operating expenses	-	-	NM	133	-	NM
Gain on redemption of investment in financial assets at FVOCI, included in investment income	-	-	NM	-	(11)	(100.0)
Dividend income on investment in financial assets at FVOCI, included in investment income	(136)	(149)	(8.7)	(418)	(444)	(5.9)
Net gain on investment in financial assets at FVTPL, included in investment income	(58)	(232)	(75.0)	(454)	(879)	(48.4)
Dividend income on investment in associates	(9)	(9)	-	(27)	(27)	-

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

	Group As at		Company As at	
	30-Sep-20 \$'000	31-Dec-19 \$'000	30-Sep-20 \$'000	31-Dec-19 \$'000
<b>Assets</b>				
Plant and equipment	3,386	3,689	86	161
Right-of-use assets	20,534	14,390	8,403	877
Intangible assets and goodwill	23,379	22,212	19,493	18,763
Subsidiaries	-	-	53,109	51,608
Associates	6,342	5,375	6,372	5,351
Other investments	5,293	5,329	1,224	1,189
Deferred tax assets	1,036	1,139	-	-
Prepayments and others	410	327	11	11
<b>Total non-current assets</b>	<b>60,380</b>	<b>52,461</b>	<b>88,698</b>	<b>77,960</b>
Current tax receivable	-	30	-	-
Other investments	18,134	19,144	16,166	16,440
Prepayments and others	1,890	1,759	182	108
Trade and other receivables	43,676	34,720	22,679	18,817
Uncompleted contracts - buyers	71,659	24,246	-	-
Money market funds	2,258	616	-	-
Cash at bank and in hand	30,256	24,195	4,348	2,765
<b>Total current assets</b>	<b>167,873</b>	<b>104,710</b>	<b>43,375</b>	<b>38,130</b>
<b>Held under trust</b>				
Client bank accounts	796,910	410,723	-	-
Client ledger balances	(796,910)	(410,723)	-	-
	-	-	-	-
<b>Total assets</b>	<b>228,253</b>	<b>157,171</b>	<b>132,073</b>	<b>116,090</b>
<b>Equity</b>				
Share capital	66,711	66,180	66,711	66,180
Reserves	33,704	23,877	21,942	19,369
<b>Equity attributable to owners of the Company</b>	<b>100,415</b>	<b>90,057</b>	<b>88,653</b>	<b>85,549</b>
Non-controlling interests	(559)	(421)	-	-
<b>Total equity</b>	<b>99,856</b>	<b>89,636</b>	<b>88,653</b>	<b>85,549</b>
<b>Liabilities</b>				
Deferred tax liabilities	2,022	1,928	1,725	1,628
Lease liabilities	14,013	10,755	5,007	69
<b>Total non-current liabilities</b>	<b>16,035</b>	<b>12,683</b>	<b>6,732</b>	<b>1,697</b>
Current tax payables	3,100	1,530	-	-
Lease liabilities	7,212	4,366	3,254	819
Bank loans	2,356	3,806	2,356	3,806
Trade and other payables	28,253	20,955	31,078	24,219
Uncompleted contracts - sellers	71,441	24,195	-	-
<b>Total current liabilities</b>	<b>112,362</b>	<b>54,852</b>	<b>36,688</b>	<b>28,844</b>
<b>Total liabilities</b>	<b>128,397</b>	<b>67,535</b>	<b>43,420</b>	<b>30,541</b>
<b>Total equity and liabilities</b>	<b>228,253</b>	<b>157,171</b>	<b>132,073</b>	<b>116,090</b>

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

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

	<b>Group</b>			
	<b>As at 30-Sep-20 \$'000</b>		<b>As at 31-Dec-19 \$'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Bank loans	-	2,356	-	3,806
	-	2,356	-	3,806

The unsecured bank loans are revolving bank loans that bear interest at rates ranging from 1.30% to 2.72% (2019: 1.60% to 3.48%) per annum in the period and are repayable within the next 12 months from the reporting date.

**Amount repayable after one year**

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

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

	Group		Group	
	3Q20 \$'000	3Q19 \$'000	9M20 \$'000	9M19 \$'000
<b>Cash flows from operating activities</b>				
Profit for the period	6,113	2,407	14,190	6,348
Adjustments for:				
Depreciation of plant and equipment	457	483	1,441	1,429
Depreciation of right-of-use assets	1,837	1,620	5,262	4,511
Amortisation of intangible assets	1,688	1,296	4,867	3,688
Equity-settled share-based payment transactions	852	839	2,420	2,284
Dividend income on investment in financial assets at FVOCI	(136)	(149)	(418)	(444)
Gain on redemption of investment in financial assets at FVOCI	-	-	-	(11)
Net gain on investment in financial assets at FVTPL	(58)	(232)	(454)	(879)
Dividend income on investment in associates	(9)	(9)	(27)	(27)
Share of results of associates, net of tax	68	(87)	142	160
Foreign exchange loss / (gain), net	72	92	(48)	525
Loss on disposal of plant and equipment	-	-	-	1
Impairment loss on investment in financial assets at FVOCI	-	-	133	-
Net finance costs / (income)	61	(27)	(83)	107
Tax expense	1,195	524	3,242	1,323
	<u>12,140</u>	<u>6,757</u>	<u>30,667</u>	<u>19,015</u>
Change in uncompleted contracts and trade and other receivables	(9,455)	5,346	(52,628)	(10,921)
Change in uncompleted contracts and trade and other payables	9,609	(3,644)	54,029	10,277
<b>Cash generated from operations</b>	<b>12,294</b>	<b>8,459</b>	<b>32,068</b>	<b>18,371</b>
Tax paid	(928)	(842)	(1,383)	(1,696)
Interest received	148	319	698	897
Interest paid on bank loans	-	-	-	(182)
Interest paid on lease liabilities	(197)	(205)	(565)	(582)
<b>Net cash from operating activities</b>	<b>11,317</b>	<b>7,731</b>	<b>30,818</b>	<b>16,808</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(333)	(363)	(1,092)	(2,099)
Purchase of intangible assets	(1,674)	(1,698)	(7,980)	(8,122)
Proceeds from disposal of plant and equipment	-	-	-	1
Additional investment in associates	(408)	(1,248)	(1,139)	(2,165)
Dividend from associates	18	18	36	36
Purchase of investment in financial assets	(43,365)	(47,828)	(109,999)	(118,105)
Proceeds from redemption of investment in financial assets	45,982	45,280	109,886	112,529
Dividends received from investment in financial assets at FVOCI	1	1	4	4
<b>Net cash from / (used in) investing activities</b>	<b>221</b>	<b>(5,838)</b>	<b>(10,284)</b>	<b>(17,921)</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of share options	353	62	531	168
Purchase of treasury shares	-	-	(475)	-
Repayment of bank loans	(1,500)	-	(1,500)	(27,124)
Principal element of lease payments	(1,807)	(1,562)	(5,192)	(4,315)
Dividends paid to owners of the Company	(2,037)	(2,015)	(6,510)	(6,440)
<b>Net cash used in financing activities</b>	<b>(4,991)</b>	<b>(3,515)</b>	<b>(13,146)</b>	<b>(37,711)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>6,547</b>	<b>(1,622)</b>	<b>7,388</b>	<b>(38,824)</b>
Cash and cash equivalents at beginning of the period	25,997	24,014	24,811	61,301
Effect of exchange rate fluctuations on cash held	(30)	170	315	85
<b>Cash and cash equivalents at end of the period</b>	<b>32,514</b>	<b>22,562</b>	<b>32,514</b>	<b>22,562</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 2020</b>	<b>66,180</b>	<b>(1,134)</b>	<b>(1,453)</b>	<b>2,549</b>	<b>4,257</b>	<b>(2,010)</b>	<b>(199)</b>	<b>21,867</b>	<b>90,057</b>	<b>(421)</b>	<b>89,636</b>
<b>Total comprehensive income for the period</b>											
Profit / (Loss) for the period	-	-	-	-	-	-	-	14,327	14,327	(137)	14,190
<b>Other comprehensive income</b>											
Net change in fair value of financial assets at FVOCI	-	(773)	-	-	-	-	-	-	(773)	(3)	(776)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	133	-	-	-	-	-	-	133	-	133
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	-	-	(1)	-	-	-
Foreign currency translation differences for foreign operations	-	-	469	-	-	-	-	-	469	2	471
Share of other comprehensive income of associates	-	(1)	(30)	-	-	-	-	-	(30)	-	(30)
Total other comprehensive income	-	(640)	439	-	-	-	-	-	(201)	(1)	(202)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(640)</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,327</b>	<b>14,126</b>	<b>(138)</b>	<b>13,988</b>
<b>Transactions with owners, recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Share options exercised	531	-	-	-	-	-	-	-	531	-	531
Purchase of treasury shares	-	-	-	-	-	-	(475)	-	(475)	-	(475)
Treasury shares re-issued	-	-	-	-	-	-	317	82	399	-	399
One-tier tax-exempt 2019 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,440)	(2,440)	-	(2,440)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,033)	(2,033)	-	(2,033)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,037)	(2,037)	-	(2,037)
Equity-settled share-based payment transactions	-	-	-	213	2,074	-	-	-	2,287	-	2,287
Total contributions by and distribution to owners	<b>531</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>2,074</b>	<b>-</b>	<b>(158)</b>	<b>(6,428)</b>	<b>(3,768)</b>	<b>-</b>	<b>(3,768)</b>
<b>Total transactions with owners</b>	<b>531</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>2,074</b>	<b>-</b>	<b>(158)</b>	<b>(6,428)</b>	<b>(3,768)</b>	<b>-</b>	<b>(3,768)</b>
<b>At 30 September 2020</b>	<b>66,711</b>	<b>(1,774)</b>	<b>(1,014)</b>	<b>2,762</b>	<b>6,331</b>	<b>(2,010)</b>	<b>(357)</b>	<b>29,766</b>	<b>100,415</b>	<b>(559)</b>	<b>99,856</b>

(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		
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
<b>Total comprehensive income for the period</b>											
Profit / (Loss) for the period	-	-	-	-	-	-	-	6,514	6,514	(166)	6,348
<b>Other comprehensive income</b>											
Net change in fair value of financial assets at FVOCI	-	421	-	-	-	-	-	-	421	-	421
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	-	-	171	-	-	-	-	-	171	(1)	170
Share of other comprehensive income of associates	-	(1)	(14)	-	-	-	-	-	(14)	-	(14)
Total other comprehensive income	-	410	157	-	-	-	-	-	567	(1)	566
<b>Total comprehensive income for the period</b>	-	<b>410</b>	<b>157</b>	-	-	-	-	<b>6,514</b>	<b>7,081</b>	<b>(167)</b>	<b>6,914</b>
<b>Transactions with owners, recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Share options exercised	168	-	-	-	-	-	-	-	168	-	168
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)
Equity-settled share-based payment transactions	-	-	-	318	1,935	-	-	-	2,253	-	2,253
Total contributions by and distribution to owners	168	-	-	318	649	-	1,205	(6,243)	(3,903)	-	(3,903)
<b>Total transactions with owners</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>318</b>	<b>649</b>	<b>-</b>	<b>1,205</b>	<b>(6,243)</b>	<b>(3,903)</b>	<b>-</b>	<b>(3,903)</b>
At 30 September 2019	66,137	(1,033)	(1,072)	2,431	3,606	(2,010)	(199)	20,882	88,742	(376)	88,366

(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	
<b>At 1 January 2020</b>	<b>66,180</b>	<b>(1,132)</b>	<b>1,613</b>	<b>4,257</b>	<b>(199)</b>	<b>14,830</b>	<b>85,549</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	7,582	7,582
<b>Other comprehensive income</b>							
Net change in fair value of financial assets at FVOCI	-	(706)	-	-	-	-	(706)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	133	-	-	-	-	133
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	(1)	-
Total other comprehensive income	-	(573)	-	-	-	-	(573)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(573)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,582</b>	<b>7,009</b>
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share options exercised	531	-	-	-	-	-	531
Purchase of treasury shares	-	-	-	-	(475)	-	(475)
Treasury shares re-issued	-	-	-	-	317	82	399
One-tier tax-exempt 2019 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,440)	(2,440)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,033)	(2,033)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,037)	(2,037)
Equity-settled share-based payment transactions	-	-	76	2,074	-	-	2,150
Total contributions by and distribution to owners	531	-	76	2,074	(158)	(6,428)	(3,905)
<b>Total transactions with owners</b>	<b>531</b>	<b>-</b>	<b>76</b>	<b>2,074</b>	<b>(158)</b>	<b>(6,428)</b>	<b>(3,905)</b>
<b>At 30 September 2020</b>	<b>66,711</b>	<b>(1,705)</b>	<b>1,689</b>	<b>6,331</b>	<b>(357)</b>	<b>15,984</b>	<b>88,653</b>

(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	
<b>At 1 January 2019</b>	<b>65,969</b>	<b>(1,442)</b>	<b>1,564</b>	<b>2,957</b>	<b>(1,404)</b>	<b>16,615</b>	<b>84,259</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	7,674	7,674
<b>Other comprehensive income</b>							
Net change in fair value of financial assets at FVOCI	-	421	-	-	-	-	421
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	-	410	-	-	-	-	410
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,674</b>	<b>8,084</b>
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share options exercised	168	-	-	-	-	-	168
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)
Equity-settled share-based payment transactions	-	-	30	1,935	-	-	1,965
Total contributions by and distribution to owners	168	-	30	649	1,205	(6,243)	(4,191)
<b>Total transactions with owners</b>	<b>168</b>	<b>-</b>	<b>30</b>	<b>649</b>	<b>1,205</b>	<b>(6,243)</b>	<b>(4,191)</b>
<b>At 30 September 2019</b>	<b>66,137</b>	<b>(1,032)</b>	<b>1,594</b>	<b>3,606</b>	<b>(199)</b>	<b>18,046</b>	<b>88,152</b>

(1) Amount less than \$1,000

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 30 September 2020 excluding treasury shares and subsidiary holdings was 271,853,335 ordinary shares (30 June 2020: 271,155,107 ordinary shares). The movements in the Company's share capital during the third quarter ended 30 September 2020 were as follows:

	<b>Number of ordinary shares</b>
As at 30 June 2020	271,155,107
Exercise of share options	698,228
Vesting of performance shares	-
Purchase of treasury shares	-
Re-issue of treasury shares	-
As at 30 September 2020	<u>271,853,335</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:

	<b>Number of share options</b>
As at 30 June 2020	5,723,112
Share options granted	-
Exercised	(698,228)
Forfeited	-
As at 30 September 2020	<u>5,024,884</u>

As at 30 September 2020, the number of outstanding share options under the iFAST ESOS was 5,024,884 (30 September 2019: 4,815,640).

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 June 2020	10,698,600
Performance shares granted but not vested	-
Vested	-
Forfeited	(92,300)
As at 30 September 2020	<u>10,606,300</u>

As at 30 September 2020, the number of outstanding performance shares granted but not vested under the iFAST PSP was 10,606,300 (30 September 2019: 7,776,800).

#### Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 30 June 2020	436,100
Purchased by way of on-market acquisition	-
Purchased by way of off-market acquisition	-
Re-issued	-
As at 30 September 2020	<u>436,100</u>

As at 30 September 2020, 436,100 (30 September 2019: 224,100) treasury shares were held by the Company, and 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 27 April 2020.

The Company has no subsidiary holdings as at 30 September 2020 and 30 September 2019.

As at 30 September 2020, the treasury shares held by the Company represented 0.2% (30 September 2019: 0.1%) 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 30-Sep-20	As at 31-Dec-19
Total number of issued shares excluding treasury shares and subsidiary holdings	<u>271,853,335</u>	<u>268,732,479</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 third quarter ended 30 September 2020.

#### **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 September 2020.

**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 and the Company have adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2020. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

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

	3Q20	3Q19	9M20	9M19
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	271,721,835	268,603,429	270,687,127	268,002,768
Basic earnings per share (cents)	2.27	0.92	5.29	2.43
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	282,339,562	274,243,578	281,651,010	274,331,298
Diluted earnings per share (cents)	2.18	0.90	5.09	2.37

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-Sep-20	31-Dec-19	30-Sep-20	31-Dec-19
Net asset value per ordinary share (cents)	36.94	33.51	32.61	31.83

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 global financial markets gained in the third quarter of 2020 ("3Q20") supported by some signs of economic recovery resulting from the gradual reopening of economies, and the overall MSCI World Index was up 7.9% in 3Q20.

The Group's assets under administration ("AUA") outperformed the MSCI World Index in 3Q20 and grew 12.9% quarter-on-quarter ("QoQ") to a new record high of \$12.59 billion as at 30 September 2020, despite some depreciation of US dollar in 3Q20. This was on the back of another new record quarterly net inflows of \$1.07 billion in client assets on the Group's platforms in 3Q20. Compared to the end of the corresponding period of 2019, the Group's AUA rose 33.3% year-on-year ("YoY") as at 30 September 2020.

Benefiting from the significant YoY growth of AUA as well as the improved range and depth of products and services brought to clients and business partners, the Group's revenue reached a new quarterly record of \$45.00 million with a YoY growth of 33.3% in 3Q20 and \$122.03 million with a YoY growth of 33.2% in nine months ended 30 September 2020 ("9M20").

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').

	Group			Group		
	3Q20 \$'000	3Q19 \$'000	Change %	9M20 \$'000	9M19 \$'000	Change %
Business-to-Customer business	9,215	5,437	69.5	23,996	15,440	55.4
Business-to-Business business	35,781	28,329	26.3	98,030	76,153	28.7
Total revenue	44,996	33,766	33.3	122,026	91,593	33.2

For B2C division, following the strong performance in the first half year of 2020 ("1H20"), its revenue continued to grow significantly 69.5% YoY in 3Q20, and the revenue was up 55.4% YoY in 9M20. These were due mainly to significant increases in transaction fees resulting from increased investment subscription from customers especially in exchange-traded funds ("ETFs") and stocks, service fees arising from the provision of currency conversion administration services resulting from higher clients' trading volume of ETFs and stocks listed on foreign exchanges and recurring fee income arising from higher AUA in the period. The Group's average AUA of B2C division grew 45.0% YoY in 3Q20 and 33.7% YoY in 9M20.

The B2B division, especially in Singapore operation, has geared up for a great business momentum in 3Q20, after the Covid-19 circuit breaker measures are progressively lifted from June 2020. The revenue of B2B division grew significantly 17.1% QoQ in 3Q20. Compared to the end of the corresponding period of 2019, the revenue of B2B division was up 26.3% YoY in 3Q20 and 28.7% YoY in 9M20. Besides increases in transaction fees resulting from increased investment subscription from customers in ETFs and stocks and service fees arising from the currency conversion administration service provision, the trade volume of customers' investment subscription in unit trust ("UT") and portfolio services grew significantly in 3Q20. The Group's average AUA of B2B division grew 23.2% YoY in 3Q20 and 19.0% YoY in 9M20.

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

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

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

Commission and fee paid or payable to third party financial advisers and securities brokerage expense increased by 30.8% from \$16.92 million in 3Q19 to \$22.13 million in 3Q20 and 39.6% from \$43.35 million in 9M19 to \$60.50 million in 9M20. These were due mainly to significant increases in clients' trade volume of ETFs and stocks from both B2C business and B2B business, and commission income from UT business including portfolio services in B2B division in the period.

#### Net revenue

Net revenue represents revenue earned by the Group after brokerage expense and commission and fee paid or payable to third party financial advisers. The Group's net revenue of \$22.87 million in 3Q20 was 35.7% higher than 3Q19 and the net revenue of \$61.53 million in 9M20 was 27.5% higher than 9M19, with the breakdown by business divisions as follows.

	3Q20 \$'000	Group 3Q19 \$'000	Change %	9M20 \$'000	Group 9M19 \$'000	Change %
Business-to-Customer business	8,792	5,437	61.7	22,921	15,440	48.5
Business-to-Business business	14,074	11,414	23.3	38,604	32,803	17.7
Total net revenue	22,866	16,851	35.7	61,525	48,243	27.5

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 9M20, 70.8% of net revenue is derived from recurring net revenue and 29.2% is from non-recurring net revenue.

	3Q20 \$'000	Group 3Q19 \$'000	Change %	9M20 \$'000	Group 9M19 \$'000	Change %
Recurring net revenue	15,704	13,417	17.0	43,558	39,223	11.1
Non-recurring net revenue	7,162	3,434	108.6	17,967	9,020	99.2
Total net revenue	22,866	16,851	35.7	61,525	48,243	27.5

Recurring net revenue is usually calculated based on a percentage of average AUA of investment products distributed on the Group's platforms, and mainly comprises trailer fees, platform fees, wrap fees and net interest income arising from clients' AUA. The YoY increases in recurring net revenue in 3Q20 and 9M20 were due mainly to an increase in average AUA for both B2B business and B2C business during the period, which substantially benefited from new inflows of investments from customers over the period. The total inflows of customer investments, net of outflows of customer investments, were \$2.31 billion in 9M20, pushing the Group's AUA from \$10.00 billion as at 31 December 2019 to \$12.59 billion as at 30 September 2020.



Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commission or transaction processing fee; service fee arising from the provision of currency conversion administration services to customers and the provision of administration services to 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 increases in non-recurring net revenue in 3Q20 and 9M20 were due mainly to an increase in financial institution clients' investment subscription in UTs including portfolio services, the significant growth of business in ETFs and stocks and the resulted increase in service fee arising from the currency conversion administration services provided to customers, and an increase in IT solution fee from provision of IT Fintech solutions to business partners in the period.

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

	Group			Group		
	3Q20 \$'000	3Q19 \$'000	Change %	9M20 \$'000	9M19 \$'000	Change %
Singapore	14,999	10,650	40.8	40,095	31,141	28.8
Hong Kong	4,887	4,555	7.3	14,063	12,173	15.5
Malaysia	2,399	1,503	59.6	6,258	4,538	37.9
	22,285	16,708	33.4	60,416	47,852	26.3
China	581	143	306.3	1,109	391	183.6
Total net revenue	22,866	16,851	35.7	61,525	48,243	27.5

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's net revenue. The B2C clients' investment trading volume in listed stocks continued to increase significantly in 3Q20 and 9M20. The B2B division of Singapore operation has geared up for a great business momentum in 3Q20, after the Covid-19 circuit breaker measures are progressively lifted from June 2020. The amounts of investment subscription from customers of B2B division grew more than 50.0% in 3Q20 compared to the second quarter of 2020 ("2Q20"). The newer wealth adviser business unit of iFAST Global Markets ("IGM") under the B2B division also showed encouraging growth in 3Q20. The AUA of IGM grew 38.9% QoQ and 103.7% YoY as at 30 September 2020. The net revenue in Singapore operation grew 40.8% YoY in 3Q20 and 28.8% YoY in 9M20. The average AUA of Singapore operation grew 32.4% YoY to \$8.04 billion in 3Q20 and 23.2% YoY to \$7.22 billion in 9M20.

In Hong Kong, although the market was still facing economic slowdown due to sustained social distancing and weak investor sentiment, the Hong Kong operation has seen significant net inflows from customers in UTs, bonds and stocks in 3Q20 compared to 2Q20. The net revenue in Hong Kong operation grew 12.2% QoQ in 3Q20, while it was up 7.3% YoY in the quarter and 15.5% YoY in 9M20. The average AUA of Hong Kong operation grew 13.7% YoY to \$2.47 billion in 3Q20 and 15.3% YoY to \$2.36 billion in 9M20.

In Malaysia, the Movement Control Order restrictions were relaxed in June to allow more businesses to function as usual. Investor sentiments turned positive on continued loose monetary policies globally in 3Q20, and MY operation conducted a series of online seminars to attract more clients in the period. As a result, both B2C business and B2B business recovered significantly in 3Q20 and a new record quarterly subscription sales of UTs was achieved in the quarter. The Fintech division continued to benefit from increased interest from various parties in the financial industry in digitalising their investment portals. The net revenue in Malaysia operation grew 59.6% YoY in 3Q20 and 37.9% YoY in 9M20. The average AUA of Malaysia operation grew 41.2% YoY to \$1.09 billion in 3Q20 and 35.3% YoY to \$0.97 billion in 9M20.

In China, its economic data signalled ongoing recovery and we also continued to see inflows of investments from institutional clients in 3Q20. The amount of customers' investment subscription in UTs increased 211.6% YoY and 118.9% QoQ in 3Q20, following the similar trend in 1H20. The net revenue in China operation grew 306.3% YoY in 3Q20 and 186.3% YoY in 9M20. The average AUA of China operation grew 118.5% YoY to \$0.20 billion in 3Q20 and 64.9% YoY to \$0.15 billion in 9M20.

### Other income

Other income increased by \$0.83 million or 188.4% from \$0.44 million in 3Q19 to \$1.27 million in 3Q20, and \$2.13 million or 139.5% from \$1.52 million in 9M19 to \$3.65 million in 9M20.

These were due mainly to supports granted by local governments in Singapore market and Hong Kong market to mitigate unfavourable impacts due to uncertainties caused by the outbreak of Covid-19 in the period, which was partially offset by lower investment income on investment in financial assets at FVTPL caused by market uncertainties in the period.

### Operating expenses

Overall, the Group's total operating expenses increased by \$2.23 million or 15.4% from \$14.47 million in 3Q19 to \$16.70 million in 3Q20 and \$5.85 million or 14.0% from \$41.83 million in 9M19 to \$47.68 million in 9M20. These were 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 including China market over the period so as to strengthen the Fintech Ecosystem of the Group and further scale up the businesses of the Group continuously.

The increases in the Group's operating expenses in 3Q20 and 9M20 were also due to additional staff bonus accrued in recognition and appreciation for employees who have continued to work effectively to support operation and business of the Group during this period affected by the Covid-19.

For China operation, in view of the China's economy continuing to recover in recent quarters, the Group has been stepping up its efforts in building its brand and businesses in the China market. The operating expenses of China operation increased by \$0.50 million or 34.9% from \$1.41 million in 3Q19 to \$1.91 million in 3Q20 and \$0.64 million or 15.5% from \$4.19 million in 9M19 to \$4.83 million in 9M20. One of subsidiaries, namely iFAST Investment Management China Ltd ("iFAST PFM") which was incorporated in the China (Shanghai) Pilot Free Trade Zone in May 2019, has successfully registered as a Private Fund Manager ("PFM") with the Asset Management Association of China in 3Q20. With the PFM registration, iFAST PFM can issue private equity securities investment funds, private equity securities Fund of Funds, and offer private funds to qualified onshore individual and institutional investors in China. The PFM capability will accelerate our business to offer a broader range of services on our investment platform in China. The Group expects iFAST PFM business in China to be launched by early 2021.

	Group			Group		
	3Q20 \$'000	3Q19 \$'000	Change %	9M20 \$'000	9M19 \$'000	Change %
Operating expenses (excluding China operation)	14,788	13,059	13.2	42,847	37,643	13.8
Operating expenses in China operation	1,907	1,414	34.9	4,834	4,185	15.5
Total operating expenses	16,695	14,473	15.4	47,681	41,828	14.0

Depreciation of plant and equipment in 3Q20 was slightly lower than the same period last year, due mainly to some plant and equipment having been fully depreciated in the period before 3Q20. There was no significant change in depreciation of plant and equipment in 9M20. Amortisation of intangible assets increased by \$0.39 million or 30.2% from \$1.30 million in 3Q19 to \$1.69 million in 3Q20 and \$1.18 million or 32.0% from \$3.69 million in 9M19 to \$4.87 million in 9M20. These were due mainly to additions of 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 and develop a broader Fintech Ecosystem of the Group.

Depreciation of right-of-use assets increased by \$0.22 million or 13.4% from \$1.62 million in 3Q19 to \$1.84 million in 3Q20 and \$0.75 million or 16.6% from \$4.51 million in 9M19 to \$5.26 million in 9M20. These were due to higher carrying amount of right-of-use assets in 9M20. This mainly resulted from the renewal of Singapore office lease for next three years in 2Q20 and other

factor that the Group did not recognise right-of-use assets and liabilities for some leases for which the lease term ended within 12 months from the date of initial application (1 January 2019) in accordance with SFRS(I) 16 *Leases*. Such leases were subsequently recognised in right-of-use assets and liabilities of the Group upon renewals in the second half of 2019. Consequently, the expense of short-term leases recognised in profit or loss statement was reduced in the period.

Staff costs increased by \$1.95 million or 25.5% from \$7.67 million in 3Q19 to \$9.62 million in 3Q20 and \$4.60 million or 20.8% from \$22.14 million in 9M19 to \$26.74 million in 9M20. Besides annual salary increment adjusted in 2020 and higher sales commission paid to staffs in line with higher revenue generated in the period, the increases in staff costs in 3Q20 and 9M20 were also due to additional staff bonus accrued in recognition and appreciation for employees who have continued to work effectively to support operation and business of the Group during this period affected by the Covid-19. In addition, the Group continues to create new positions and hiring for new businesses the Group is planning.

Other operating expenses decreased by \$0.32 million or 9.2% from \$3.41 million in 3Q19 to \$3.09 million in 3Q20 and \$0.69 million or 6.8% from \$10.06 million in 9M19 to \$9.37 million in 9M20. These were due mainly to lower advertising expenses incurred in the period benefiting from conducting online investment webinars instead of physical investment seminars, decreases in overseas travelling costs and short-term lease expenses in the period and some foreign exchange gain recognised due to the movement of foreign exchange market in 9M20. This was partially offset by increases in IT services and bank charges to support the continual growth of the Group's business in the period.

#### Net finance (costs) / income

Finance income decreased by \$0.17 million or 53.6% from \$0.32 million in 3Q19 to \$0.15 million in 3Q20 and \$0.20 million or 22.2% from \$0.90 million in 9M19 to \$0.70 million in 9M20, due mainly to lower market interest rates on bank deposits in the period.

Finance costs decreased by \$0.08 million or 28.4% from \$0.29 million in 3Q19 to \$0.21 million in 3Q20 and \$0.38 million or 38.7% from \$1.00 million in 9M19 to \$0.62 million in 9M20, due mainly to a decrease in interest expense on bank loans in line with repayment of significant loan amounts in 2019.

Overall, net finance costs of \$0.06 million were incurred in 3Q20 while net finance income of \$0.03 million was recorded in 3Q19, and net finance income of \$0.08 million was recorded in 9M20 while net finance costs of \$0.11 million were incurred in 9M19.

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

The Group's share of results after tax of associates mainly comprised share of results of two associates, namely Providend Holding Pte Ltd ("Providend") and iFAST India Holdings Pte Ltd in the period.

There was no significant change in the Group's share of loss after tax of associates in 9M20 compared to 9M19. However, the Group's share of loss after tax of associates amounting to \$0.07 million was recorded in 3Q20 while the share of profit after tax of associates amounting to \$0.09 million was in 3Q19. This was due mainly to some ad-hoc positive development achieved in the group of Providend in 3Q19 and an increase in proportional share of loss of iFAST India Holdings Pte Ltd resulting from increases in the Group's stake in iFAST India Holdings Pte Ltd over the period.

There was no significant YoY change in the results of 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 25.15 billion (equivalent to \$467 million) as at 30 September 2020, growing at a 5-year compound annual growth rate ("CAGR") of approximately 20.3%. The Group's effective shareholding in iFAST India

has been increased from 33.30% as at 30 September 2019 to 39.25% as at 30 September 2020, following some additional investments in India business over the period.

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

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

	3Q20 \$'000	Group 3Q19 \$'000	Change %	9M20 \$'000	Group 9M19 \$'000	Change %
Singapore	5,857	2,521	132.3	14,413	7,532	91.4
Hong Kong	1,622	1,301	24.7	4,060	2,818	44.1
Malaysia	1,226	300	308.7	2,813	1,228	129.1
Other <sup>(1)</sup>	(68)	87	NM	(142)	(160)	(11.3)
Profit before tax (excluding China operation)	8,637	4,209	105.2	21,144	11,418	85.2
Tax expense	(1,195)	(524)	128.1	(3,242)	(1,323)	145.0
Net profit after tax (excluding China operation)	7,442	3,685	102.0	17,902	10,095	77.3
China operation <sup>(2)</sup>	(1,278)	(1,225)	4.3	(3,575)	(3,581)	(0.2)
Net profit after tax (including China operation)	6,164	2,460	150.6	14,327	6,514	119.9

Notes:

(1) Referring to share of results of associates.

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

NM denotes not meaningful.

Overall, excluding China operation, the Group's profit before tax increased by \$4.43 million or 105.2% from \$4.21 million in 3Q19 to \$8.64 million in 3Q20 and \$9.72 million or 85.2% from \$11.42 million in 9M19 to \$21.14 million in 9M20. The higher profitability of the Group was contributed by the higher growth of net revenue and the lower growth of operating expenses in the period.

Tax expense increased by \$0.67 million or 128.1% YoY in 3Q20 and \$1.92 million or 145.0% YoY in 9M20, due mainly to higher taxable profit generated by the Group in the period.

In view of the China's economy continuing to recover in recent quarters, the Group has been stepping up its efforts in building its brand and businesses in the China market in order to offer a broader range of services on our investment platform in China. There were no significant changes in the net losses of China operation in 3Q20 and 9M20 compared to the same period of last year.

Including China operation and tax expense, the Group's net profit after tax increased by \$3.70 million or 150.6% from \$2.46 million in 3Q19 to \$6.16 million in 3Q20 and \$7.82 million or 119.9% from \$6.51 million in 9M19 to \$14.33 million in 9M20.

#### Statement of Financial Position

The shareholders' equity of the Group increased to \$100.42 million as at 30 September 2020 from \$90.06 million as at 31 December 2019. This was due mainly to contribution of net profit generated in 9M20 and an increase in reserve from translation of foreign operations resulting from appreciation of Hong Kong dollar and Chinese yuan in the period, partially offset by a decrease in fair value of financial assets at FVOCI caused by global financial market uncertainties and payments of dividends in 9M20.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans, increased to \$48.29 million as at 30 September 2020 from \$40.15 million as at 31 December 2019. This was due mainly to net cash generated from operating activities in the period, partially offset by payments of additional investments in associates, additions of plant and equipment and intangible assets, office leases and dividends in 9M20 and some bank loan repayment in 3Q20.

Current assets increased to \$167.87 million as at 30 September 2020 from \$104.71 million as at 31 December 2019. This was due mainly to increases in cash and cash equivalents, trade and

other receivables, and receivables from uncompleted contracts on securities dealing at end of the period.

Non-current assets increased to \$60.38 million as at 30 September 2020 from \$52.46 million as at 31 December 2019. The increase was due mainly to additions of intangible assets (including internally-developed IT software assets), additional investment in associates and an increase in carrying amount of right-of-use assets mainly resulting from renewal of Singapore office lease for next three years in 9M20.

Total liabilities increased to \$128.40 million as at 30 September 2020 from \$67.54 million as at 31 December 2019, due mainly to increases in payables from uncompleted contracts on securities dealing and trade and other payables at end of the period and an increase in carrying amount of lease liabilities mainly resulting from renewal of Singapore office lease for next three years and higher tax payable amounts in 9M20.

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

Net cash from operating activities increased from \$7.73 million in 3Q19 to \$11.32 million in 3Q20 and from \$16.81 million in 9M19 to \$30.82 million in 9M20. These were due mainly to higher cash generated from operating activities in the period and favourable working capital movement resulting from receipts of amounts funded for some client trade with cross-month settlement at the end of 2019 in January 2020.

Net cash from investing activities was \$0.22 million in 3Q20 while net cash used in investing activities was \$5.84 million in 3Q19, and net cash used in investing activities decreased from \$17.92 million in 9M19 to \$10.28 million in 9M20. These were due mainly to settlement movement of investments in financial assets classified at FVTPL between quarters, and lower amounts of plant and equipment purchase and investment in associates in 3Q20 and 9M20.

Net cash used in financing activities increased from \$3.52 million in 3Q19 to \$4.99 million in 3Q20, due mainly to a repayment of some revolving bank loan amounting to \$1.5 million in 3Q20. Net cash used in financing activities decreased from \$37.71 million in 9M19 to \$13.15 million in 9M20, due mainly to repayments of some bank loans amounting to \$27.12 million drawn down in the second half year of 2018 in 1H19, which was partially offset by purchases of treasury share in 1H20 and a repayment of some revolving bank loan amounting to \$1.5 million in 3Q20.

**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 reported a new record quarterly net profit of \$6.16 million in 3Q20, an increase of 150.6% compared to 3Q19. This was achieved on the back of a 35.7% YoY increase in net revenue and a 33.3% YoY increase in gross revenue. For the first 9 months of 2020, net profit grew 119.9% YoY, on the back of a 27.5% YoY increase in net revenue and a 33.2% YoY growth in gross revenue.

Growth in profit was substantially higher than the growth in revenue. This shows the positive operating leverage and scalability of our business model. The Group's profit before tax margin as a percentage of net revenue increased from 17.0% in 2019 to 28.3% in 9M20.

The improvement in the Group's business shows that the Group continues to be a beneficiary of increased digital adoption in the wealth management industry. The improvements have been seen for both the B2C and B2B businesses.

Net inflows of client assets registered a record \$1.07 billion in 3Q20, raising the Group's AUA to a record \$12.59 billion as at 30 Sep 2020. Of the net inflows of \$1.07 billion, 60.5% came from unit trusts.

We believe that the robust growth seen by the Group this year has resulted from our past investments in building up a strong integrated digital wealth management platform. The Group will continue to work hard on various initiatives in all existing markets that the Group operates in to ensure that our medium to long term growth prospects will remain strong.

Barring unforeseen circumstances, the Group expects the full year 2020 performance to show robust growth in profit and revenue compared to 2019.

## **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	0.80 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	0.75 cents per ordinary share
Tax rate	One-tier tax exempt

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

The interim dividend will be paid on 13 November 2020.

### **(d) Record date**

The Register of Members and Share Transfer Books of the Company will be closed on 4 November 2020 for the preparation of dividend warrants to the third interim dividend. Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 3 November 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 third interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares in the Company as at 5.00 p.m. on the Record Date will be entitled to the third interim dividend.

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

Not applicable.

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

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

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

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the third quarter and nine months ended 30 September 2020 to be false or misleading in any material aspect.

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

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

**16. 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 30 September 2020.

	Allocation of IPO proceeds	Amount reallocated on 26 October 2018	IPO proceeds utilised as at 30 September 2020	Balance of IPO proceeds
<b>Use of net proceeds</b>	<b>\$' million</b>	<b>\$' million</b>	<b>\$' million</b>	<b>\$' million</b>
Mergers and acquisitions strategy	27.2	19.2	15.1	4.1
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 <sup>(2)</sup>	-
Net Proceeds	48.0 <sup>(1)</sup>	48.0	43.9	4.1

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 \$4.1 million has been used to invest in bonds, unit trusts and short term deposits as stated in the Prospectus.

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

**BY ORDER OF THE BOARD**

**Leung Fung Yat, David**  
**Chief Financial Officer**  
**23 October 2020**