

The logo for iFAST, featuring the word "iFAST" in white, bold, sans-serif font centered within a dark teal square background.

iFAST

**iFAST Corporation Ltd.
and its Subsidiaries**

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

**Unaudited Second Quarter and Half Year 2022
Financial Statements Announcement**

Second Quarter and Half Year 2022 Financial Statements and Dividend Announcement

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

Consolidated income statement for the second quarter and half year ended 30 June 2022

	Group			Group		
	2Q22 \$'000	2Q21 \$'000	Change %	1H22 \$'000	1H21 \$'000	Change %
Revenue	53,151	50,785	4.7	105,679	106,121	(0.4)
Interest revenue	762	167	356.3	1,160	361	221.3
Total revenue	53,913	50,952	5.8	106,839	106,482	0.3
Commission and fee expenses including securities brokerage expenses and handling and settlement expenses	(23,858)	(24,601)	(3.0)	(48,233)	(51,441)	(6.2)
Interest expenses excluding interest expense on lease liabilities	(197)	-	NM	(197)	(1)	NM
	29,858	26,351	13.3	58,409	55,040	6.1
Other income	367	487	(24.6)	662	1,442	(54.1)
Depreciation of plant and equipment	(1,045)	(588)	77.7	(1,785)	(1,154)	54.7
Depreciation of right-of-use assets	(1,798)	(1,781)	1.0	(3,633)	(3,602)	0.9
Amortisation of intangible assets	(2,351)	(2,061)	14.1	(4,732)	(4,081)	16.0
Staff costs excluding equity-settled share-based payment transactions	(12,367)	(8,786)	40.8	(22,087)	(18,609)	18.7
Equity-settled share-based payment to staff and advisers	(2,752)	(1,604)	71.6	(4,827)	(2,718)	77.6
Other operating expenses	(7,045)	(3,432)	105.3	(11,415)	(7,220)	58.1
	(27,358)	(18,252)	49.9	(48,479)	(37,384)	29.7
Impairment loss related to an associate	(5,200)	-	NM	(5,200)	-	NM
Results from operating activities	(2,333)	8,586	NM	5,392	19,098	(71.8)
Interest expense on lease liabilities	(148)	(147)	0.7	(275)	(315)	(12.7)
Share of results of associates, net of tax	667	(40)	NM	401	(83)	NM
(Loss) / Profit before tax	(1,814)	8,399	NM	5,518	18,700	(70.5)
Tax expense	(1,115)	(1,431)	(22.1)	(2,773)	(2,972)	(6.7)
(Loss) / Profit for the period	(2,929)	6,968	NM	2,745	15,728	(82.5)
(Loss) / Profit attributable to:						
Owners of the Company	(2,693)	7,020	NM	3,043	15,835	(80.8)
Non-controlling interests	(236)	(52)	353.8	(298)	(107)	178.5
(Loss) / Profit for the period	(2,929)	6,968	NM	2,745	15,728	(82.5)

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 second quarter and half year ended 30 June 2022

	Group			Group		
	2Q22	2Q21	Change	1H22	1H21	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss) / Profit for the period	(2,929)	6,968	NM	2,745	15,728	(82.5)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets-debt investments at FVOCI	(844)	-	NM	(726)	(4)	NM
Net change in fair value of financial assets-debt investments at FVOCI reclassified to profit or loss	(9)	-	NM	(198)	-	NM
Foreign currency translation differences for foreign operations	(3,357)	13	NM	(4,689)	318	NM
Share of other comprehensive income of associates	(27)	(8)	237.5	(50)	2	NM
	<u>(4,237)</u>	<u>5</u>	<u>NM</u>	<u>(5,663)</u>	<u>316</u>	<u>NM</u>
Items that will not be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets-equity investments at FVOCI	(804)	(38)	NM	(1,542)	(231)	567.5
	<u>(804)</u>	<u>(38)</u>	<u>NM</u>	<u>(1,542)</u>	<u>(231)</u>	<u>567.5</u>
Other comprehensive income for the period, net of tax	<u>(5,041)</u>	<u>(33)</u>	<u>NM</u>	<u>(7,205)</u>	<u>85</u>	<u>NM</u>
Total comprehensive income for the period	<u>(7,970)</u>	<u>6,935</u>	<u>NM</u>	<u>(4,460)</u>	<u>15,813</u>	<u>NM</u>
Attributable to:						
Owners of the Company	(7,246)	6,983	NM	(3,527)	15,912	NM
Non-controlling interests	(724)	(48)	NM	(933)	(99)	842.4
Total comprehensive income for the period	<u>(7,970)</u>	<u>6,935</u>	<u>NM</u>	<u>(4,460)</u>	<u>15,813</u>	<u>NM</u>

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

	2Q22	Group	Change	1H22	Group	Change
	\$'000	2Q21	%	\$'000	1H21	%
		\$'000			\$'000	
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>						
Interest revenue						
- Interest income from banking operation						
on cash and cash equivalents	(290)	-	NM	(290)	-	NM
on investment in financial assets	(19)	-	NM	(19)	-	NM
- Interest income from non-banking operations						
on cash and cash equivalents	(116)	(54)	114.8	(294)	(97)	203.1
on clients trade settlement bank accounts	(85)	(107)	(20.6)	(184)	(251)	(26.7)
on investment in financial assets	(214)	(2)	NM	(312)	(4)	NM
on product financing	(5)	-	NM	(5)	-	NM
on receivables	(33)	(4)	725.0	(56)	(9)	522.2
	(762)	(167)	356.3	(1,160)	(361)	221.3
Interest expenses excluding interest expense on lease liabilities						
- Interest expense from banking operation						
on deposits and balances of customers	197	-	NM	197	-	NM
- Interest expense from non-banking operation						
on bank loan	-	-	NM	-	1	NM
	197	-	NM	197	1	NM
Other income						
- Net investment (income) / loss	(14)	(279)	(95.0)	60	(663)	NM
- Government grant	(341)	(194)	75.8	(694)	(752)	(7.7)
- Miscellaneous income	(12)	(14)	(14.3)	(28)	(27)	3.7
	(367)	(487)	(24.6)	(662)	(1,442)	(54.1)
Tax expense						
- Current tax expense	1,328	1,675	(20.7)	3,003	3,300	(9.0)
- Deferred tax credit	(212)	(244)	(13.1)	(229)	(328)	(30.2)
	1,116	1,431	(22.0)	2,774	2,972	(6.7)
Lease expense	244	10	NM	255	20	NM
Impairment losses on investment	5,200	-	NM	5,200	-	NM
Foreign exchange loss, net	81	39	107.7	37	27	37.0
Plant and equipment written off	(1)	(1)	NM	(1)	(1)	NM
Gain on redemption of investment in financial assets at FVOCI, included in investment income	(9)	-	NM	(198)	-	NM
Dividend income on investment in financial assets at FVOCI, included in investment income	(89)	(139)	(36.0)	(179)	(267)	(33.0)
Net loss / (gain) on investment in financial assets at FVTPL, included in investment income	93	(131)	NM	455	(378)	NM
Dividend income on investment in associates	(9)	(9)	-	(18)	(18)	-

⁽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 As at		Company As at	
	30-Jun-22 \$'000	31-Dec-21 \$'000	30-Jun-22 \$'000	31-Dec-21 \$'000
Assets				
Plant and equipment	6,945	7,552	1,731	1,968
Right-of-use assets	14,497	14,198	2,580	4,244
Intangible assets and goodwill	66,852	32,623	22,081	23,332
Subsidiaries	-	-	132,145	57,084
Associates	3,513	6,552	767	6,748
Other investments	10,310	2,919	2,535	2,535
Deferred tax assets	2,478	2,448	-	-
Contract costs	6,024	3,241	-	-
Prepayments and others	1,651	675	11	11
Total non-current assets	112,270	70,208	161,850	95,922
Current tax receivable	246	219	-	-
Other investments	22,871	15,197	17,073	11,046
Contract costs	105	97	-	-
Prepayments and others	4,800	3,107	167	247
Trade and other receivables	81,106	55,126	33,363	30,045
Uncompleted contracts - buyers	72,999	36,800	-	-
Money market funds	21,884	5,751	16,513	-
Cash at bank and in hand	144,102	38,346	4,623	3,173
Total current assets	348,113	154,643	71,739	44,511
Total assets	460,383	224,851	233,589	140,433
Equity				
Share capital	171,004	67,577	171,004	67,577
Reserves	55,272	61,076	25,996	27,256
Equity attributable to owners of the Company	226,276	128,653	197,000	94,833
Non-controlling interests	8,204	(1,018)	-	-
Total equity	234,480	127,635	197,000	94,833
Liabilities				
Deferred tax liabilities	2,825	3,092	1,936	2,221
Lease liabilities	7,682	7,513	-	846
Total non-current liabilities	10,507	10,605	1,936	3,067
Current tax payables	3,511	4,191	-	-
Lease liabilities	7,964	7,665	2,565	3,303
Deposits and balances of customers	78,030	-	-	-
Trade and other payables	51,318	38,016	32,088	39,230
Uncompleted contracts - sellers	74,573	36,739	-	-
Total current liabilities	215,396	86,611	34,653	42,533
Total liabilities	225,903	97,216	36,589	45,600
Total equity and liabilities	460,383	224,851	233,589	140,433

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

Amount repayable in one year or less, or on demand

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

Amount repayable after one year

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

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

Paragraph	Group		Group	
	2Q22 \$'000	2Q21 \$'000	1H22 \$'000	1H21 \$'000
Cash flows from operating activities				
(Loss) / Profit for the period	(2,929)	6,968	2,745	15,728
Adjustments for:				
Depreciation of plant and equipment	1,045	588	1,785	1,154
Depreciation of right-of-use assets	1,798	1,781	3,633	3,602
Amortisation of intangible assets	2,351	2,061	4,732	4,081
Equity-settled share-based payment to staff and advisers	2,752	1,604	4,827	2,718
Dividend income on investment in financial assets at FVOCI	(89)	(139)	(179)	(267)
Gain on redemption of investment in financial assets at FVOCI	(9)	-	(198)	-
Net loss / (gain) on investment in financial assets at FVTPL	93	(131)	455	(378)
Dividend income on investment in associates	(9)	(9)	(18)	(18)
Share of results of associates, net of tax	(667)	40	(401)	83
Foreign exchange loss, net	81	39	37	27
Plant and equipment written off	1	(1)	1	(1)
Intangible asset written off	4	-	4	-
Impairment loss related to an associate	5,200	-	5,200	-
Interest expense on lease liabilities	148	147	275	315
Tax expense	1,115	1,431	2,773	2,972
	<u>10,885</u>	<u>14,380</u>	<u>25,671</u>	<u>30,017</u>
Changes in :				
Contract costs	(1,189)	-	(2,189)	-
Prepayments	710	(676)	633	(1,310)
Trade and other receivables	599	(968)	(791)	(1,642)
Uncompleted contracts - buyers	24,686	(10,782)	(29,872)	(3,878)
Uncompleted contracts - sellers	(21,027)	10,710	33,456	3,842
Trade and other payables	(3,437)	652	(6,541)	(332)
	<u>11,227</u>	<u>13,316</u>	<u>20,367</u>	<u>26,697</u>
Cash generated from operations				
Tax paid	(3,094)	(1,819)	(3,729)	(2,440)
Interest paid on lease liabilities	(135)	(147)	(262)	(315)
Net cash from operating activities	<u>7,998</u>	<u>11,350</u>	<u>16,376</u>	<u>23,942</u>
Cash flows from investing activities				
Purchase of plant and equipment	(488)	(670)	(1,202)	(1,256)
Purchase of intangible assets	(2,295)	(2,421)	(8,587)	(7,174)
Additional investment in associates	-	-	-	(375)
Dividend from associates	-	-	18	18
Net cash inflow from acquisition of subsidiaries	17.3	-	49,534	-
Purchase of investment in financial assets	(53,644)	(58,045)	(90,828)	(98,325)
Proceeds from redemption of investment in financial assets	44,249	60,079	73,173	96,830
Dividends received from investment in financial assets at FVOCI	1	1	2	2
Net cash (used in) / from investing activities	<u>(12,177)</u>	<u>(1,056)</u>	<u>22,110</u>	<u>(10,280)</u>
Cash flows from financing activities				
Proceeds from placement of new shares, net	-	-	103,334	-
Proceeds from exercise of share options	20	67	93	347
Purchase of treasury shares	(1,990)	-	(1,990)	-
Drawdown of bank loans	-	-	-	5,000
Repayment of bank loans	-	-	-	(5,000)
Principal element of lease payments	(2,069)	(1,802)	(3,912)	(3,483)
Dividends paid to owners of the Company	(7,032)	(5,530)	(7,032)	(5,530)
Net cash (used in) / from financing activities	<u>(11,071)</u>	<u>(7,265)</u>	<u>90,493</u>	<u>(8,666)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(15,250)</u>	<u>3,029</u>	<u>128,979</u>	<u>4,996</u>
Cash and cash equivalents at beginning of the period	186,495	38,568	44,097	36,441
Effect of exchange rate fluctuations on cash held	(5,259)	(9)	(7,090)	151
Cash and cash equivalents at end of the period	<u>165,986</u>	<u>41,588</u>	<u>165,986</u>	<u>41,588</u>

(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 2022	67,577	(4,019)	(1,542)	3,012	12,316	(2,010)	(160)	53,479	128,653	(1,018)	127,635
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	3,043	3,043	(298)	2,745
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(2,268)	-	-	-	-	-	-	(2,268)	-	(2,268)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(198)	-	-	-	-	-	-	(198)	-	(198)
Foreign currency translation differences for foreign operations	-	-	(4,054)	-	-	-	-	-	(4,054)	(635)	(4,689)
Share of other comprehensive income of associates	-	-	(50)	-	-	-	-	-	(50)	-	(50)
Total other comprehensive income	-	(2,466)	(4,104)	-	-	-	-	-	(6,570)	(635)	(7,205)
Total comprehensive income for the period	-	(2,466)	(4,104)	-	-	-	-	3,043	(3,527)	(933)	(4,460)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	93	-	-	-	-	-	-	-	93	-	93
Purchase of treasury shares	-	-	-	-	-	-	(1,990)	-	(1,990)	-	(1,990)
Treasury shares re-issued	-	-	-	-	-	-	1,526	592	2,118	-	2,118
Issue of ordinary shares related to share placement	105,000	-	-	-	-	-	-	-	105,000	-	105,000
Share issuance expenses	(1,666)	-	-	-	-	-	-	-	(1,666)	-	(1,666)
One-tier tax-exempt 2021 final dividend paid of 1.40 cents per share	-	-	-	-	-	-	-	(4,102)	(4,102)	-	(4,102)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
Equity-settled share-based payment transactions	-	-	-	66	4,561	-	-	-	4,627	-	4,627
Total contributions by and distribution to owners	103,427	-	-	66	4,561	-	(464)	(6,440)	101,150	-	101,150
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	10,155	10,155
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	10,155	10,155
Total transactions with owners	103,427	-	-	66	4,561	-	(464)	(6,440)	101,150	10,155	111,305
At 30 June 2022	171,004	(6,485)	(5,646)	3,078	16,877	(2,010)	(624)	50,082	226,276	8,204	234,480

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 2021	66,976	(2,873)	(1,927)	2,825	7,058	(2,010)	(357)	34,417	104,109	(709)	103,400
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	15,835	15,835	(107)	15,728
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(241)	-	-	-	-	-	-	(241)	6	(235)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	106	-	-	-	-	-	(106)	-	-	-
Foreign currency translation differences for foreign operations	-	-	316	-	-	-	-	-	316	2	318
Share of other comprehensive income of associates	-	(1)	2	-	-	-	-	-	2	-	2
Total other comprehensive income	-	(135)	318	-	-	-	-	(106)	77	8	85
Total comprehensive income for the period	-	(135)	318	-	-	-	-	15,729	15,912	(99)	15,813
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	347	-	-	-	-	-	-	-	347	-	347
Treasury shares re-issued	-	-	-	-	-	-	197	1,415	1,612	-	1,612
One-tier tax-exempt 2020 final dividend paid of 1.00 cents per share	-	-	-	-	-	-	-	(2,765)	(2,765)	-	(2,765)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	-	-	(2,765)	(2,765)	-	(2,765)
Equity-settled share-based payment transactions	-	-	-	134	2,417	-	-	-	2,551	-	2,551
Total contributions by and distribution to owners	347	-	-	134	2,417	-	197	(4,115)	(1,020)	-	(1,020)
Total transactions with owners	347	-	-	134	2,417	-	197	(4,115)	(1,020)	-	(1,020)
At 30 Jun 2021	67,323	(3,008)	(1,609)	2,959	9,475	(2,010)	(160)	46,031	119,001	(808)	118,193

(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 2022	67,577	(450)	1,839	12,316	(160)	13,711	94,833
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	3,495	3,495
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(2,261)	-	-	-	-	(2,261)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(198)	-	-	-	-	(198)
Total other comprehensive income	-	(2,459)	-	-	-	-	(2,459)
Total comprehensive income for the period	-	(2,459)	-	-	-	3,495	1,036
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	93	-	-	-	-	-	93
Purchase of treasury shares	-	-	-	-	(1,990)	-	(1,990)
Treasury shares re-issued	-	-	-	-	1,526	592	2,118
Issue of ordinary shares related to share placement	105,000	-	-	-	-	-	105,000
Share issuance expenses	(1,666)	-	-	-	-	-	(1,666)
One-tier tax-exempt 2021 final dividend paid of 1.40 cents per share	-	-	-	-	-	(4,102)	(4,102)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	(2,930)	(2,930)
Equity-settled share-based payment transactions	-	-	47	4,561	-	-	4,608
Total contributions by and distribution to owners	103,427	-	47	4,561	(464)	(6,440)	101,131
Total transactions with owners	103,427	-	47	4,561	(464)	(6,440)	101,131
At 30 June 2022	171,004	(2,909)	1,886	16,877	(624)	10,766	197,000

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 2021	66,976	(939)	1,718	7,058	(357)	16,592	91,048
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	12,360	12,360
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(350)	-	-	-	-	(350)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	106	-	-	-	(106)	-
Total other comprehensive income	-	(244)	-	-	-	(106)	(350)
Total comprehensive income for the period	-	(244)	-	-	-	12,254	12,010
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	347	-	-	-	-	-	347
Treasury shares re-issued	-	-	-	-	197	1,415	1,612
One-tier tax-exempt 2020 final dividend paid of 1.00 cents per share	-	-	-	-	-	(2,765)	(2,765)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	(2,765)	(2,765)
Equity-settled share-based payment transactions	-	-	60	2,417	-	-	2,477
Total contributions by and distribution to owners	347	-	60	2,417	197	(4,115)	(1,094)
Total transactions with owners	347	-	60	2,417	197	(4,115)	(1,094)
At 30 Jun 2021	67,323	(1,183)	1,778	9,475	(160)	24,731	101,964

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 June 2022 excluding treasury shares and subsidiary holdings was 293,026,613 ordinary shares (31 March 2022: 292,907,513 ordinary shares). The movements in the Company's share capital during the second quarter ended 30 June 2022 were as follows:

	Number of ordinary shares
As at 31 March 2022	292,907,513
Exercise of share options	41,000
Vesting of performance shares	55,300
Purchase of treasury shares	(400,000)
Re-issue of treasury shares	422,800
Issue of ordinary shares related to share placement	-
Share issuance expenses	-
As at 30 June 2022	<u><u>293,026,613</u></u>

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

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

	Number of share options
As at 31 March 2022	3,298,706
Share options granted	186,700
Exercised	(41,000)
Forfeited	-
As at 30 June 2022	<u><u>3,444,406</u></u>

On 1 May 2022, the Company granted the 186,700 share options pursuant to the iFAST Employee Share Option Scheme. As at 30 June 2022, the number of outstanding share options under the iFAST ESOS was 3,444,406 (30 June 2021: 3,856,356).

iFAST Corporation Performance Share Plan ("iFAST PSP")

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

	Number of performance shares
As at 31 March 2022	9,724,900
Performance shares granted but not vested	30,400
Vested	(55,300)
Forfeited	(279,800)
As at 30 June 2022	<u>9,420,200</u>

On 1 May 2022, the Company granted the 30,400 share awards pursuant to the iFAST PSP. As at 30 June 2022, the number of outstanding performance shares granted but not vested under the iFAST PSP was 9,420,200 (30 June 2021: 8,923,300).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 31 March 2022	195,600
Purchased by way of on-market acquisition	400,000
Purchased by way of off-market acquisition	-
Re-issued	(422,800)
As at 30 June 2022	<u>172,800</u>

As at 30 June 2022, 172,800 (30 June 2021: 195,600) 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 25 April 2022.

The Company has no subsidiary holdings as at 30 June 2022 and 30 June 2021.

As at 30 June 2022, the treasury shares held by the Company represented 0.1% (30 June 2021: 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-Jun-22	As at 31-Dec-21
Total number of issued shares excluding treasury shares and subsidiary holdings	<u>293,026,613</u>	<u>276,946,913</u>

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

Between 1 April 2022 and 30 June 2022, the Company transferred 422,800 treasury shares for the settlement of sales incentive payable by the Group to certain individual investment advisers of the Group's business unit of iFAST Global Markets ("IGM") under the Business-to-Business ("B2B") business division of the Group in the form of shares of the Company with a vesting period of two to three years.

The total fair value of the treasury shares transferred was \$2.12 million in the quarter.

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

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 June 2022.

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

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

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

Not applicable.

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

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

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

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

Not applicable.

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

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

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

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

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

	2Q22	2Q21	1H22	1H21
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	292,994,513	276,465,346	292,310,813	275,113,583
Basic earnings per share (cents)	(0.92)	2.54	1.04	5.76
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	292,661,796	286,940,336	301,407,536	286,383,046
Diluted earnings per share (cents)	(0.92)	2.45	1.01	5.53

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

	Group		Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value per ordinary share (cents)	77.22	46.45	67.23	34.24

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

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

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

Consolidated Income Statement

Total revenue

The global financial markets suffered steep declines in the second quarter of 2022 ("2Q22") due to further interest rate rises and an increased risk of recession in the quarter. The MSCI AC Asia ex Japan index dropped more than 9% quarter-on-quarter ("QoQ") and more than 25% year-on-year ("YoY") as at 30 June 2022.

Amid this highly challenging market environment in 2Q22, the Group's assets under administration ("AUA") dropped 5.1% QoQ and increased marginally by 0.8% YoY to \$17.68 billion as at 30 June 2022.

However, the Group's net inflows of client assets still remained healthy at \$0.59 billion in 2Q22, benefiting from the Group's continuous efforts in improving the range and depths of products and services brought to clients and business partners in recent years.

The Group's total revenue grew 5.8% YoY to \$53.91 million in 2Q22 and increased 0.3% YoY to \$106.84 million in the first half year of 2022 ("1H22"), contributed by higher interest revenue over the period and the new United Kingdom ("UK")-based banking operation acquired by the Group at end of March 2022.

The following table shows the breakdown of the Group's interest revenue by the new banking operation and other existing operations of the Group.

	2Q22 \$'000	Group 2Q21 \$'000	Change %	1H22 \$'000	Group 1H21 \$'000	Change %
Non-banking operations	453	167	171.3	851	361	135.7
Banking operation	309	-	NM	309	-	NM
Interest revenue	762	167	356.3	1,160	361	221.3

Interest revenue from existing non-banking operations of the Group increased by \$0.28 million or 171.3% to \$0.45 million in 2Q22, and increased by \$0.49 million or 135.7% to \$0.85 million in 1H22. These were due mainly to higher interest income from higher cash and cash equivalent amounts and higher amounts of debt investments measured at FVOCI, in which the share placement proceeds received in January 2022 were parked before the planned deployments, in the period. The above was partially offset by lower interest income from clients trade settlement bank accounts in the period due to the lower daily average balance amounts of the bank accounts.

The Group's non-interest revenue grew 4.7% YoY to \$53.15 million in 2Q22, but decreased 0.4% YoY to \$105.68 million in the first half year of 2022 ("1H22"). The following table shows the breakdown of the Group's non-interest revenue by the new banking operation and other existing operations of the Group with two main business divisions, namely Business-to-Customer ("B2C") and Business-to-Business ("B2B").

	2Q22 \$'000	Group 2Q21 \$'000	Change %	1H22 \$'000	Group 1H21 \$'000	Change %
Non-banking operations						
- Business-to-Customer business	8,167	10,237	(20.2)	16,931	23,443	(27.8)
- Business-to-Business business	39,419	40,548	(2.8)	83,183	82,678	0.6
	47,586	50,785	(6.3)	100,114	106,121	(5.7)
Banking operation	5,565	-	NM	5,565	-	NM
Total revenue excluding interest revenue	53,151	50,785	4.7	105,679	106,121	(0.4)

The non-interest revenue generated from the new banking operation is commission income and fee charges mainly from transactional banking services including UK Faster payments, international remittance, multi-currency bank deposit accounts and foreign exchange conversion services to customers.

Commission and fee expenses including securities brokerage expenses and handling and settlement expenses

The following table shows the breakdown of the Group's costs of revenue excluding interest expenses by the new banking operation and other existing operations of the Group.

	2Q22 \$'000	Group 2Q21 \$'000	Change %	1H22 \$'000	Group 1H21 \$'000	Change %
Non-banking operations	22,103	24,601	(10.2)	46,478	51,441	(9.6)
Banking operation	1,755	-	NM	1,755	-	NM
	23,858	24,601	(3.0)	48,233	51,441	(6.2)

The costs of revenue excluding interest expenses incurred by the new banking operation are commission and fee expenses including handling and settlement expenses charged by counterparts in the course of transactional banking service provision to customers.

Securities brokerage expense refers to brokerage fee paid to third party brokers for execution of clients' trade in securities listed on overseas exchanges of which the Group is not a member. For B2B division of the Group's existing operations providing the wealth management platform services, a substantial portion of front-end commission income and advisory fee from B2B customers is payable to financial advisers who assist the B2B customers.

The costs of revenue excluding interest expenses incurred by non-banking operations of the Group decreased by 10.2% YoY to \$22.10 million in 2Q22 and 9.6% YoY to \$46.48 million in 1H22. These were due mainly to decreases in clients' trade volume in stocks from both B2C and B2B businesses, and commission income from unit trust ("UT") business of B2B division in the period.

Interest expenses excluding interest expense on lease liabilities

The following table shows the breakdown of the Group's interest expenses excluding interest expense on lease liabilities by the new banking operation and other existing operations of the Group.

	2Q22 \$'000	Group 2Q21 \$'000	Change %	1H22 \$'000	Group 1H21 \$'000	Change %
Non-banking operations	-	-	NM	-	1	NM
Banking operation	197	-	NM	197	-	NM
Interest expenses	197	-	NM	197	1	NM

The interest expenses excluding interest expense on lease liabilities incurred by the new banking operation are interest expenses on deposits and balances of customers placed with the banking operation.

Net revenue

Net revenue of the Group comprises net interest revenue and net non-interest revenue which represents corresponding revenue earned by the Group after commission and fee expenses including securities brokerage expenses and handling and settlement expenses.

The Group's net revenue grew 13.3% YoY to \$29.86 million in 2Q22 and grew 6.1% YoY to \$58.41 million in 1H22, with the breakdown of net interest revenue and net non-interest revenue respectively as follows.

	2Q22 \$'000	Group 2Q21 \$'000	Change %	1H22 \$'000	Group 1H21 \$'000	Change %
Non-banking operations	453	167	171.3	851	360	136.4
Banking operation	112	-	NM	112	-	NM
Net interest revenue	565	167	238.3	963	360	167.5

	2Q22 \$'000	Group 2Q21 \$'000	Change %	1H22 \$'000	Group 1H21 \$'000	Change %
Non-banking operations						
- Business-to-Customer business	7,988	9,865	(19.0)	16,514	22,354	(26.1)
- Business-to-Business business	17,495	16,319	7.2	37,122	32,326	14.8
	25,483	26,184	(2.7)	53,636	54,680	(1.9)
Banking operation	3,810	-	NM	3,810	-	NM
Total net revenue excluding net interest revenue	29,293	26,184	11.9	57,446	54,680	5.1

For B2C division of the Group's non-banking operations, its net revenue decreased by 19.0% YoY in 2Q22 and 26.1% in 1H22. These were due mainly to decreases in transaction processing fees resulting from significantly-decreased investment subscription from customers in exchange-listed securities, and service fees arising from the provision of currency conversion administration services resulting from lower clients' trading volume of securities listed on foreign exchanges affected by the negative market sentiment in the period, partially offset by the higher interest commission income arising from clients' AUA due to the improved interest rate environment in 2Q22.

For B2B division of the Group's non-banking operations, its net revenue was still up 7.2% YoY in 2Q22 and 14.8% YoY in 1H22. These were due mainly to YoY increases in recurring fee income arising from portfolio management services over the period, YoY increases in revenue from business units of insurance and e-Pension in B2B division in the period and the higher interest commission income arising from clients' AUA due to the improved interest rate environment in 2Q22, partially offset by YoY decreases in transaction processing fees resulting from decreased investment subscription from institution customers in exchange-listed securities over the period.

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

	Group			Group		
	2Q22 \$'000	2Q21 \$'000	Change %	1H22 \$'000	1H21 \$'000	Change %
Non-banking operations						
- Recurring net revenue	20,073	19,463	3.1	40,190	37,773	6.4
- Non-recurring net revenue	5,863	6,888	(14.9)	14,297	17,267	(17.2)
	<u>25,936</u>	<u>26,351</u>	<u>(1.6)</u>	<u>54,487</u>	<u>55,040</u>	<u>(1.0)</u>
Banking operation						
- Recurring net revenue	112	-	NM	112	-	NM
- Non-recurring net revenue	3,810	-	NM	3,810	-	NM
	<u>3,922</u>	<u>-</u>	<u>NM</u>	<u>3,922</u>	<u>-</u>	<u>NM</u>
Total net revenue	<u>29,858</u>	<u>26,351</u>	<u>13.3</u>	<u>58,409</u>	<u>55,040</u>	<u>6.1</u>

The business model of the Group's non-banking operations gives a stream of reliable recurring revenue which is based on AUA. In 1H22, 73.8% of net revenue of non-banking operations is derived from its recurring net revenue.

Recurring net revenue of the Group's non-banking operations is usually calculated based on a percentage of average AUA of investment products distributed on the Group's platforms, and mainly comprises trailer fees, platform fees, wrap fees, portfolio service management fees and net interest commission income arising from clients' AUA. The YoY increase in recurring net revenue in 2Q22 was due mainly to an increase in average AUA of B2B business in the period, substantially benefitting from new inflows of investments from customers over the period, and the higher interest commission income arising from clients' AUA due to the improved interest rate environment especially in 2Q22. The total inflows of customer investments net of outflows of customer investments were \$0.59 billion in 2Q22, and the Group's average AUA grew 7.1% YoY in the quarter.

Non-recurring revenue of the Group's non-banking operations mainly comprises commission income derived from investment subscription via front-end load commission or transaction processing fee; service fee arising from the provision of currency conversion administration services to customers and the provision of administration services to financial advisory firms; brokerage service fee from arranging for insurance policies, advertising fee earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution development fee from provision of IT Fintech solutions to business partners. In 2Q22 and 1H22, the decrease in non-recurring net revenue were due mainly to decreases in transaction processing fees resulting from decreased investment subscription from B2C and B2B customers

in exchange-listed securities, and service fees arising from the provision of currency conversion administration services resulting from lower clients' trading volume of securities listed on foreign exchanges affected by the negative market sentiment in the period, partially offset by YoY increases in revenue from business units of insurance and revenue from the newer business unit of e-Pension in B2B division in the period.

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

	Group			Group		
	2Q22 \$'000	2Q21 \$'000	Change %	1H22 \$'000	1H21 \$'000	Change %
Singapore	16,907	17,621	(4.1)	34,480	36,858	(6.5)
Hong Kong	5,669	5,179	9.5	12,073	10,389	16.2
Malaysia	2,910	3,050	(4.6)	6,949	6,508	6.8
China	450	501	(10.2)	985	1,285	(23.3)
UK	3,922	-	NM	3,922	-	NM
Total net revenue	29,858	26,351	13.3	58,409	55,040	6.1

In Singapore, the net revenue decreased by 4.1% YoY in 2Q22 and 6.5% YoY in 1H22 due mainly to a decline in performance of B2C division which was negatively impacted by the volatile and challenging market environment in the period, partially offset by an increase in performance of B2B division in the period. The trade volume from both B2C and B2B customers in exchange-listed stock securities dropped approximately 38% in 2Q22 compared to 2Q21 and 33% in 1H22 compared to 1H21. This led to the consequent reduction of approximately 40% YoY in total non-recurring net revenue of Singapore operation in 1H22. The above is offset substantially by increases in recurring net revenue of Singapore operation especially from B2B division in the period. The recurring net revenue of B2B division still grew approximately 10% YoY in 1H22 on the back of the YoY 6.2% increase in AUA of B2B division as at 30 June 2022. Benefitted from the continued enhancement and upgrading of products and services provided on the platforms over the period, net inflows from both B2C and B2B customers were positive in 1H22 despite negative market conditions. In 2Q22, net inflows from B2C division grew 18.9% and net inflows from B2B division grew 29.6% compared to 1Q22. Overall, the AUA of Singapore operation decreased by 5.0% QoQ but still increased by 3.0% YoY as at 30 June 2022.

As at 30 June 2022, the AUA of Hong Kong operation decreased by 7.5% QoQ and 20.7% YoY due to a significant drop in the market value of client asset holdings and some redemption from clients affected by the market concerns over defaults in Chinese property bonds, higher cost of living and possibility of a global recession in the period. However, an increase in commission income from insurance business unit and additional income from the newer e-Pension business unit has been contributing to the net revenue growth of Hong Kong operation. In 2Q22, the B2B division of Hong Kong operation launched a revamped mobile application for wealth advisers and B2B clients so as to bring more seamless and effective trading experiences to advisers and clients. In addition, with the rise of External Asset Managers ("EAM") in Asia, Hong Kong operation has worked with some EAMs positively to bring their high-net-worth clients to our platforms. Overall, the net revenue of Hong Kong operation increased by 9.5% YoY in 2Q22 and 16.2% YoY in 1H22.

In Malaysia, net inflows from clients have slowed down in 2Q22 due to the negative market sentiment in global financial markets during the quarter. However, the client's trade demand in bonds remained resilient and there was higher interest commission income arising from clients' AUA due to the improved interest rate environment in the quarter. Overall, the AUA of Malaysia operation decreased by 3.5% QoQ but increased 16.3% YoY as at 30 June 2022, and the net revenue of Malaysia operation decreased by 4.6% YoY in 2Q22 but increased by 6.8% YoY in 1H22.

In 1H22, the Chinese equities were negatively affected by renewed Covid-19 outbreaks in China leading to new lockdowns in some major cities. The net revenue of China operation decreased by 10.2% YoY in 1Q22 and 23.3% YoY in 1H22. These were due mainly to lower non-recurring net revenue on lower investment subscription amounts from clients in the period. However, Chinese

equity market showed a bright spot in late 2Q22 as prolonged lockdowns were lifted in some major cities. The net outflows of client assets in China operation decreased from approximately \$27 million in 1Q22 to \$2 million in 2Q22. Overall, the AUA of China operation increased by 0.3% QoQ and 0.7% YoY as at 30 June 2022.

Our new UK operation refers to the UK-based bank acquired by the Group at end of March 2022. The UK-based bank is a member of SWIFT and a direct member of Faster Payment and Clearing House Automated Payment System. The primary banking activities of UK operation is currently transactional banking service provision to customers, including UK Faster payments, international remittance, multi-currency bank deposit accounts and foreign exchange conversion services. The Group has started to work with the bank to incorporate the banking function into the existing ecosystem of the Group.

Other income

Other income decreased by \$0.12 million or 24.6% from \$0.49 million in 2Q21 to \$0.37 million in 2Q22 and \$0.78 million or 54.1% from \$1.44 million in 1H21 to \$0.66 million in 1H22. These were due to significant market price drops in some investments in debt securities measured at FVTPL resulting from concerns of defaults in Chinese property bonds in recent quarters, partially offset by higher amount of the Government financial supports received in 2Q22 than 2Q21.

Impairment loss related to an associate

iFAST Financial India Pvt Ltd (“iFAST India”), an associate of the Group through iFAST India Holdings Pte Ltd (“IIH”, the ultimate holding company of iFAST India) where iFAST Corporation Ltd has a 41.5% shareholding, is an India-incorporated company engaged in the distribution of investment products including mutual funds in India.

The Securities and Exchange Board of India (SEBI) has released a circular to disallow the usage of pool accounts for mutual funds transactions, and the effective date of implementation of this latest rule is 1 July 2022. With this regulatory change, the Management of iFAST India and IIH has assessed that the India onshore platform service business has significantly been impaired as the ban of pool accounts has undermined the ability of iFAST India to provide an efficient online platform service to onshore clients and business partners. The Management of iFAST India and IIH has consequently made the decision to exit from the onshore platform service business given the challenging and restrictive regulatory landscape in India.

With taking into consideration the above-mentioned business restructuring of iFAST India, the Group has done its assessment and provided estimated impairment allowance of \$5.2 million for impairment of carrying amount of the Group’s investment in IIH and the Group’s receivable amounts due from IIH and iFAST India as at 30 June 2022.

Operating expenses (excluding impairment loss related to an associate)

Overall, the Group’s total operating expenses increased by \$9.11 million or 49.9% from \$18.25 million in 2Q21 to \$27.36 million in 2Q22 and \$11.10 million or 29.7% from \$37.38 million in 1H21 to \$48.48 million in 1H22.

	Group			Group		
	2Q22	2Q21	Change	1H22	1H21	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Non-banking operations						
Depreciation of plant and equipment	1,005	588	70.9	1,745	1,154	51.2
Depreciation of right-of-use assets	1,798	1,781	1.0	3,633	3,602	0.9
Amortisation of intangible assets	2,351	2,061	14.1	4,732	4,081	16.0
Staff costs excluding equity-settled share-based payment transactions	10,010	8,786	13.9	19,730	18,609	6.0
Equity-settled share-based payment to staff and advisers	2,752	1,604	71.6	4,827	2,718	77.6
Other operating expenses	4,412	3,432	28.6	8,782	7,220	21.6
	22,328	18,252	22.3	43,449	37,384	16.2
Banking operation	5,030	-	NM	5,030	-	NM
Total operating expenses	27,358	18,252	49.9	48,479	37,384	29.7

Excluding the new banking operation, the Group's total operating expenses increased by \$4.08 million or 22.3% from \$18.25 million in 2Q21 to \$22.33 million in 2Q22 and \$6.07 million or 16.2% from \$37.38 million in 1H21 to \$43.45 million in 1H22. These were in line with the Group's increased efforts in enhancing its wealth management platform capabilities including improving the range and depths of investment products and services being provided to customers in all its existing markets over the period so as to strengthen the Fintech Ecosystem of the Group and further scale up the businesses of the Group continuously.

Excluding the new banking operation, depreciation of plant and equipment increased by \$0.42 million or 70.9% from \$0.59 million in 2Q21 to \$1.01 million in 2Q22 and \$0.60 million or 51.2% from \$1.15 million in 1H21 to \$1.75 million in 1H22. Amortisation of intangible assets increased by \$0.29 million or 14.1% from \$2.06 million in 2Q21 to \$2.35 million in 2Q22 and \$0.65 million or 16.0% from \$4.08 million in 1H21 to \$4.73 million in 1H22. These were due mainly to additions of plant and equipment and intangible assets (including internally-developed IT software assets) over the period, to support business expansion in the markets that the Group operates in and to continuously strengthen the Fintech capabilities of our investment platforms as well as the Fintech Ecosystem of the Group. Depreciation of right-of-use assets remained flat in both 2Q22 and 1H22.

Excluding the new banking operation, equity-settled share-based payment to staff and advisers increased by \$1.15 million or 71.6% from \$1.60 million in 2Q21 to \$2.75 million in 2Q22 and \$2.11 million or 77.6% from \$2.72 million in 1H21 to \$4.83 million in 1H22, resulting from another batch of performance shares granted to staff in March 2022 and additional sales incentive awarded to in-house wealth advisers in May 2022 for motivating staff and advisers to achieve a long-term growth together with the Group.

Excluding the new banking operation, staff costs (excluding equity-settled share-based payment transactions) increased by \$1.22 million or 13.9% from \$8.79 million in 2Q21 to \$10.01 million in 2Q22 and \$1.12 million or 6.0% from \$18.61 million in 1H21 to \$19.73 million in 1H22. These were due mainly to the annual salary increment adjustment and increased number of staff to support the Group's business expansion over the period.

Excluding the new banking operation, other operating expenses increased by \$0.98 million or 28.6% from \$3.43 million in 2Q21 to \$4.41 million in 2Q22 and \$1.56 million or 21.6% from \$7.22 million in 1H21 to \$8.78 million in 1H22. These were due mainly to increased spending in IT and related technology security services in the period to support the continual growth of the Group's business ahead, additional operating costs incurred to support the Hong Kong pension project and some transaction costs incurred for the acquisition of UK-based subsidiaries in the period.

Interest expense on lease liabilities

Interest expense on lease liabilities remained flat in 2Q22, and decreased by \$0.04 million or 12.7% from \$0.32 million in 1H21 to \$0.28 million in 1H22 in line with the lower carrying amount of leasing liabilities net of lease payments over the period.

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 Providend Holding Pte Ltd ("Providend"), iFAST India Holdings Pte Ltd, Raffles Family Office China Ltd and Harveston Capital Sdn Bhd in the period.

The Group's share of results after tax of associates turned to be the share of profit in 2Q22 and 1H22 due mainly to a one-off gain on disposal of joint venture business recognised in Providend in June 2022.

Profit / (Loss) for the period, after non-controlling interests

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

	Group			Group		
	2Q22 \$'000	2Q21 \$'000	Change %	1H22 \$'000	1H21 \$'000	Change %
Singapore	3,563	7,045	(49.4)	8,934	15,734	(43.2)
Hong Kong	1,693	1,630	3.9	3,882	3,216	20.7
Malaysia	494	1,218	(59.4)	2,251	2,741	(17.9)
China	(1,846)	(1,402)	31.7	(3,500)	(2,801)	25.0
UK	(952)	-	NM	(952)	-	NM
Other ⁽¹⁾	670	(40)	NM	401	(83)	NM
Profit before tax ⁽²⁾ excluding						
impairment loss related to an associate	3,622	8,451	(57.1)	11,016	18,807	(41.4)
Impairment loss related to an associate	(5,200)	-	NM	(5,200)	-	NM
Tax expense	(1,115)	(1,431)	(22.1)	(2,773)	(2,972)	(6.7)
Net (loss) / profit after tax ⁽²⁾	(2,693)	7,020	NM	3,043	15,835	(80.8)

Notes:

(1) Referring to share of results of associates.

(2) Attributable to owners of the Group.

NM denotes not meaningful

The Group's profit before tax and one-off impairment loss of \$5.2 million decreased by \$7.79 million or 41.4% from \$18.81 million in 1H21 to \$11.02 million in 1H22, due mainly to the combined effects of a decline of 1.0% YoY in net revenue of the Group's non-banking operations due to the negative market environment and an increase of 16.2% YoY in operating expenses of non-banking operations due to the Group's committed efforts in enhancing platform Fintech capabilities and improving the range of investment products and services over the period so as to suit the ongoing market demand, besides the loss of \$0.95 million contributed by the UK banking operation in 2Q22.

Tax expense decreased by \$0.20 million or 6.7% YoY in 1H22 due mainly to lower taxable profit in 1H22, partially offset by higher tax expense recognised in Hong Kong operation in the period resulting from unused tax losses brought forward from previous years having been utilised in Hong Kong operation in the year of 2021.

Overall, the Group's net profit decreased by 80.8% YoY from \$15.84 million in 1H21 to \$3.04 million in 1H22.

Statement of Financial Position

The shareholders' equity of the Group increased to \$226.28 million as at 30 June 2022 from \$128.65 million as at 31 December 2021. This was due mainly to an increase of \$103.33 million in share capital resulting from share placement conducted by the Company in January 2022 and contribution of net profit generated in 1H22, partially offset by dividend payments to shareholders,

decreases in fair value of some financial assets at FVOCI and decreases in reserve from translation of foreign operations resulting from depreciation of Malaysian Ringgit, Chinese Renminbi and Pound Sterling in the period.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets), net of bank loans (if any) and deposits and balances of customers, increased to \$110.83 million as at 30 June 2022 from \$59.29 million as at 31 December 2021. This was due mainly to net cash generated from operating activities in 1H22, proceeds of \$103.33 million from share placement conducted in January 2022 and net cash of \$49.53 million from acquisition of subsidiaries (based in UK) recorded in March 2022, partially offset by treasury share purchase, dividend payments to shareholders, additions of plant and equipment and intangible assets and office lease payments in the period.

Current assets increased to \$348.11 million as at 30 June 2022 from \$154.64 million as at 31 December 2021. This was due mainly to increases in receivables from uncompleted contracts on securities dealing at end of the quarter, increases in cash and cash equivalents over the period and additional current assets acquired from the acquisition of subsidiaries (based in UK) in March 2022.

Non-current assets increased to \$112.27 million as at 30 June 2022 from \$70.21 million as at 31 December 2021. This was due mainly to some additional project setup costs incurred for the Hong Kong pension project contract in the quarter and goodwill of approximately \$37 million arising from the acquisition of subsidiaries (based in UK) recognised in March 2022, partially offset by an impairment of carrying amount of investment in an associate recognised at 30 June 2022.

Total liabilities increased to \$225.90 million as at 30 June 2022 from \$97.22 million as at 31 December 2021. This was due mainly to increases in payables from uncompleted contracts on securities dealing at end of the quarter and additional liabilities assumed from the acquisition of subsidiaries (based in UK) in March 2022.

Consolidated Statement of Cash Flows

Net cash from operating activities decreased from \$11.35 million in 2Q21 to \$8.00 million in 2Q22 and from \$23.94 million in 1H21 to \$16.38 million in 1H22. This was due mainly to lower cash generated from operating activities and higher income tax paid in the period and working capital movement cross quarters.

Net cash used in investing activities increased from \$1.06 million in 2Q21 to \$12.18 million in 2Q22, due mainly to additional net investments in financial assets in the quarter. Net cash used in investing activities was \$10.28 million in 1H21 while net cash from investing activities was \$22.11 million in 1H22, due mainly to net cash of \$49.53 million from acquisition of subsidiaries (based in UK) recorded in March 2022 and partially offset by additional net investments in financial assets and higher purchase amounts of plant and equipment paid in the period.

Net cash used in financing activities increased from \$7.27 million in 2Q21 to \$11.07 million in 2Q22, due mainly to some treasury share purchase and higher dividend amounts paid to shareholders in the quarter. Net cash used in financing activities was \$8.67 million in 1H21 while net cash from financing activities was \$90.49 million in 1H22, due mainly to proceeds of \$103.33 million from share placement conducted in January 2022 and partially offset by some treasury share purchase and higher dividend amounts paid to shareholders in the period.

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

No forecast or prospect statement was previously provided.

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

The Group's total net revenue grew 13.3% YoY to \$29.86 million in 2Q22, even as global financial markets have gone through a very difficult period. The 2Q22 net revenue included an initial contribution of \$3.92 million from iFAST Global Bank in UK.

Recently, iFAST India Holdings Pte Ltd ("iFAST India Holdings"), an associate company of the Company, has decided to exit its onshore platform service business in India and pivot to focus on providing global Fintech solutions. With the restructuring of the India business, iFAST Corp has provided a one-time estimated impairment allowance of \$5.2 million. As a result, the Group reported a net loss of \$2.69 million in 2Q22.

2022 will be a year where we will see overall revenue of the Group continue to grow, but net profit will see a substantial decline. This happens as we incur an impairment charge for the India business, initial operating losses for iFAST Global Bank and an increase in the Group's overall operating expenses, which grew 22.3% YoY (excluding the bank) in 2Q22.

The Group's operating expenses are increasing even as our revenue growth moderates in 2022 because we are preparing for the ePension business which will become operational from 2023, and are positioning ourselves for opportunities arising from a more globalised wealth management and digital banking business model.

Beyond 2022, we expect the Group's business to see accelerated growth momentum from 2023 onwards. We expect the Group's revenues and profitability to grow to new highs in 2023 as our ePension division starts to contribute more substantially from 3Q 2023 onwards.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Interim
Dividend type	Cash
Dividend rate	1.10 cents per ordinary share
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	Interim
Dividend type	Cash
Dividend rate	1.10 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The interim dividend will be paid on 17 August 2022.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 5 August 2022 for the preparation of dividend warrants to the second 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 4 August 2022 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 will be registered to determine Members' entitlements to the second 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 second interim dividend.

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

Not applicable.

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

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

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

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the second quarter and half year ended 30 June 2022 to be false or misleading in any material aspect.

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

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

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

Geographical segments	Singapore \$'000	Hong Kong \$'000	Malaysia \$'000	China \$'000	United Kingdom \$'000	Others \$'000	Total \$'000
1H22							
Revenue and expenses							
Revenue from external customers	64,942	22,132	11,648	1,392	5,565	-	105,679
Interest revenue from external customers	665	27	117	42	309	-	1,160
Inter-segment revenue	2,289	111	1,841	63	-	-	4,304
Total revenue	67,896	22,270	13,606	1,497	5,874	-	111,143
Depreciation of plant and equipment	(1,214)	(148)	(240)	(142)	(41)	-	(1,785)
Depreciation of right-of-use assets	(1,679)	(1,137)	(254)	(563)	-	-	(3,633)
Amortisation of intangible assets	(4,360)	(39)	(313)	(20)	(1)	-	(4,732)
Impairment loss related to an associate	-	-	-	-	-	(5,200)	(5,200)
Reportable segment profit / (loss) before tax	8,934	3,882	2,251	(3,630)	(1,120)	(5,200)	5,117
Share of results of associates	-	-	-	-	-	401	401
Assets and liabilities							
Reportable segment assets	194,978	42,601	27,799	6,050	185,442	-	456,870
Equity-accounted associates	-	-	-	-	-	3,513	3,513
Capital expenditure	3,888	128	482	29	23	-	4,550
Reportable segment liabilities	77,834	21,535	12,743	4,447	109,344	-	225,903
1H21							
Revenue and expenses							
Revenue from external customers	68,850	23,114	12,503	1,654	-	-	106,121
Interest revenue from external customers	139	16	138	68	-	-	361
Inter-segment revenue	2,362	134	1,556	39	-	-	4,091
Total revenue	71,351	23,264	14,197	1,761	-	-	110,212
Depreciation of plant and equipment	(631)	(180)	(248)	(95)	-	-	(1,154)
Depreciation of right-of-use assets	(1,677)	(1,133)	(321)	(471)	-	-	(3,602)
Amortisation of intangible assets	(3,862)	(40)	(167)	(12)	-	-	(4,081)
Reportable segment profit / (loss) before tax	15,734	3,216	2,741	(2,908)	-	-	18,783
Share of results of associates	-	-	-	-	-	(83)	(83)
Assets and liabilities							
Reportable segment assets	193,093	42,541	17,675	8,191	-	-	261,500
Equity-accounted associates	-	-	-	-	-	6,276	6,276
Capital expenditure	4,089	71	961	189	-	-	5,310
Reportable segment liabilities	115,006	24,981	5,104	4,491	-	-	149,582

17. Other notes to consolidated financial statements

17.1 Other investments - investments in financial instruments

	Group	
	30-Jun-22 \$'000	31-Dec-21 \$'000
<u>Non-current</u>		
Financial assets at FVOCI		
- Unquoted equity shares	2,911	2,919
	<u>2,911</u>	<u>2,919</u>
Quoted financial assets at amortised cost		
- Debt investments	7,399	-
	<u>7,399</u>	<u>-</u>
	<u>10,310</u>	<u>2,919</u>
<u>Current</u>		
Quoted financial assets at FVOCI		
- Debt investments	7,944	96
- Equity investments	6,635	7,993
	<u>14,579</u>	<u>8,089</u>
Quoted financial assets at FVTPL		
- Debt investments	7,272	7,108
	<u>7,272</u>	<u>7,108</u>
Quoted financial assets at amortised cost		
- Debt investments	1,020	-
	<u>1,020</u>	<u>-</u>
	<u>22,871</u>	<u>15,197</u>

17.2 Fair value measurement

The Group has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Investments in financial instruments

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

Intra-group financial guarantees

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

Accounting classifications and fair values

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

Group	30-Jun-22			31-Dec-21		
	Carrying amount \$'000	Fair value - Level 1 \$'000	Fair value - Level 3 \$'000	Carrying amount \$'000	Fair value - Level 1 \$'000	Fair value - Level 3 \$'000
Financial assets measured at fair value						
Unquoted equity shares	2,911	-	2,911	2,919	-	2,919
Quoted financial assets at FVOCI	14,579	14,579	-	8,089	8,089	-
Quoted financial assets at FVTPL	7,272	7,272	-	7,108	7,108	-
Quoted financial assets at Amortised Cost	8,419	8,419	-	-	-	-
Money market funds	21,884	21,884	-	5,751	5,751	-
Financial assets not measured at fair value						
Cash at bank and in hand	144,102			38,346		
Uncompleted contracts - buyers	72,999			36,800		
Trade and other receivables	81,106			55,126		
Financial liabilities not measured at fair value						
Uncompleted contracts - sellers	(74,573)			(36,739)		
Deposits and balances of customers	(78,030)			-		
Trade and other payables	(51,318)			(38,016)		

17.3 Acquisition of subsidiaries

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

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

	Recognised value on acquisition \$'000
Plant and equipment	269
Prepayments	1,551
Trade and other receivables	23,911
Uncompleted contracts - buyers	6,781
Cash at bank and in hand	121,589
Deposits and balances of customers	(79,748)
Uncompleted contracts - sellers	(4,822)
Trade and other payables	(24,794)
Goodwill upon acquisition	37,473
Less: Non-controlling interest of acquired subsidiaries	(10,155)
Fair value of net assets acquired	<u>72,055</u>
	\$'000
Consideration paid in cash	(72,055)
Cash and cash equivalent acquired	<u>121,589</u>
Net cash from acquisition of subsidiaries	<u>49,534</u>

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

17.4 Held under trust

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

	Group	
	30-Jun-22 \$'000	31-Dec-21 \$'000
Client bank accounts	1,070,044	973,592
Client ledger balances	<u>(1,070,044)</u>	<u>(973,592)</u>
	<u>-</u>	<u>-</u>

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

The Company refers to the net proceeds of \$103.3 million (the gross proceeds of \$105.0 million excluding share issuance expenses of \$1.7 million) raised from the placement of 14,000,000 new ordinary shares in the capital of the Company in January 2022 ("Net Proceeds"). The following table sets out our use of Net Proceeds up to 30 June 2022.

Use of Net Proceeds	Allocation of Net Proceeds	Net Proceeds utilised as at 30 June 2022	Balance of Net Proceeds as at 30 June 2022
	\$' million	\$' million	\$' million
Acquisition of and investment in iFAST Global Bank Limited through subscription of shares in Eagles Peak Holdings Limited ("EPHL")	72.1 ⁽¹⁾	72.1 ⁽¹⁾	-
Working capital purposes	31.2	2.1 ⁽²⁾	29.1
Net Proceeds	103.3	74.2	29.1

Note:

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

(2) The amount of \$2.1 million deployed for working capital purposes has been utilised for enhancement or development of our platform capabilities as at 30 June 2022

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

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

BY ORDER OF THE BOARD

Lim Kian Thong
Chief Financial Officer
23 July 2022