



**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 2022
Financial Statements Announcement**

Third Quarter and Nine Months ended 30 September 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 third quarter and nine months ended 30 September 2022

	Group			Group		
	3Q22 \$'000	3Q21 \$'000	Change %	9M22 \$'000	9M21 \$'000	Change %
Revenue	52,189	55,530	(6.0)	157,868	161,651	(2.3)
Interest revenue	1,309	150	772.7	2,469	511	383.2
Total revenue	53,498	55,680	(3.9)	160,337	162,162	(1.1)
Commission and fee expenses including securities brokerage expenses and handling and settlement expenses	(23,144)	(25,217)	(8.2)	(71,377)	(76,658)	(6.9)
Interest expenses excluding interest expense on lease liabilities	(280)	-	NM	(477)	(1)	NM
	30,074	30,463	(1.3)	88,483	85,503	3.5
Other income	575	(566)	NM	1,237	876	41.2
Depreciation of plant and equipment	(1,039)	(619)	67.9	(2,824)	(1,773)	59.3
Depreciation of right-of-use assets	(1,855)	(1,826)	1.6	(5,488)	(5,428)	1.1
Amortisation of intangible assets	(2,339)	(2,150)	8.8	(7,071)	(6,231)	13.5
Staff costs excluding equity-settled share-based payment transactions	(12,565)	(9,798)	28.2	(34,652)	(28,407)	22.0
Equity-settled share-based payment to staff and advisers	(2,895)	(1,563)	85.2	(7,722)	(4,281)	80.4
Other operating expenses	(6,880)	(4,690)	46.7	(18,295)	(11,910)	53.6
	(27,573)	(20,646)	33.6	(76,052)	(58,030)	31.1
Impairment loss related to an associate	-	-	NM	(5,200)	-	NM
Results from operating activities	3,076	9,251	(66.7)	8,468	28,349	(70.1)
Interest expense on lease liabilities	(71)	(116)	(38.8)	(346)	(431)	(19.7)
Share of results of associates, net of tax	(74)	(50)	48.0	327	(133)	NM
Profit before tax	2,931	9,085	(67.7)	8,449	27,785	(69.6)
Tax expense	(1,297)	(1,542)	(15.9)	(4,070)	(4,514)	(9.8)
Profit for the period	1,634	7,543	(78.3)	4,379	23,271	(81.2)
Profit attributable to:						
Owners of the Company	2,085	7,598	(72.6)	5,128	23,433	(78.1)
Non-controlling interests	(451)	(55)	720.0	(749)	(162)	362.3
Profit for the period	1,634	7,543	(78.3)	4,379	23,271	(81.2)

NM denotes not meaningful.

FVOCI denotes fair value through other comprehensive income.

FVTPL denotes fair value through profit or loss.

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

Consolidated statement of comprehensive income for the third quarter and nine months ended 30 September 2022

	Group			Group		
	3Q22 \$'000	3Q21 \$'000	Change %	9H22 \$'000	9H21 \$'000	Change %
Profit for the period	1,634	7,543	(78.3)	4,379	23,271	(81.2)
Other comprehensive income						
Items that are or may be reclassified						
subsequently to profit or loss:						
Net change in fair value of financial assets-debt investments at FVOCI	(680)	(3)	NM	(1,406)	(7)	NM
Net change in fair value of financial assets-debt investments at FVOCI reclassified to profit or loss	-	-	NM	(198)	-	NM
Foreign currency translation differences for foreign operations	(3,635)	369	NM	(8,324)	687	NM
Share of other comprehensive income of associates	(11)	(6)	83.3	(61)	(4)	NM
	<u>(4,326)</u>	<u>360</u>	<u>NM</u>	<u>(9,989)</u>	<u>676</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	(357)	(293)	21.8	(1,899)	(524)	262.4
	<u>(357)</u>	<u>(293)</u>	<u>21.8</u>	<u>(1,899)</u>	<u>(524)</u>	<u>262.4</u>
Other comprehensive income for the period, net of tax	<u>(4,683)</u>	<u>67</u>	<u>NM</u>	<u>(11,888)</u>	<u>152</u>	<u>NM</u>
Total comprehensive income for the period	<u>(3,049)</u>	<u>7,610</u>	<u>NM</u>	<u>(7,509)</u>	<u>23,423</u>	<u>NM</u>
Attributable to:						
Owners of the Company	(2,068)	7,663	NM	(5,595)	23,575	NM
Non-controlling interests	(981)	(53)	NM	(1,914)	(152)	NM
Total comprehensive income for the period	<u>(3,049)</u>	<u>7,610</u>	<u>NM</u>	<u>(7,509)</u>	<u>23,423</u>	<u>NM</u>

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

	Group			Group		
	3Q22	3Q21	Change	9M22	9M21	Change
	\$'000	\$'000	%	\$'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	(433)	-	NM	(723)	-	NM
on investment in financial assets	(90)	-	NM	(109)	-	NM
- Interest income from non-banking operations						
on cash and cash equivalents	(200)	(34)	488.2	(494)	(131)	277.1
on clients trade settlement bank accounts	(253)	(101)	150.5	(437)	(352)	24.1
on investment in financial assets	(295)	(3)	NM	(607)	(7)	NM
on product financing	(4)	-	NM	(9)	-	NM
on receivables	(34)	(12)	183.3	(90)	(21)	328.6
	(1,309)	(150)	772.7	(2,469)	(511)	383.2
Interest expenses excluding interest expense on lease liabilities						
- Interest expense from banking operation						
on deposits and balances of customers	280	-	NM	477	-	NM
- Interest expense from non-banking operation						
on bank loan	-	-	NM	-	1	NM
	280	-	NM	477	1	NM
Other income						
- Net investment (income) / loss	(69)	698	NM	(9)	35	NM
- Government grant	(496)	(118)	320.3	(1,190)	(870)	36.8
- Miscellaneous income	(10)	(14)	(28.6)	(38)	(41)	(7.3)
	(575)	566	NM	(1,237)	(876)	41.2
Tax expense						
- Current tax expense	1,430	1,814	(21.2)	4,432	5,114	(13.3)
- Deferred tax credit	(133)	(272)	(51.1)	(362)	(600)	(39.7)
	1,297	1,542	(15.9)	4,070	4,514	(9.8)
Lease expense	126	19	563.2	381	39	876.9
Impairment losses on investment	-	-	NM	5,200	-	NM
Bad debt written off	8	-	NM	8	-	NM
Foreign exchange loss / (gain), net	155	(58)	NM	192	(31)	NM
Gain on redemption of investment in financial assets at FVOCI, included in investment income	-	-	NM	(198)	-	NM
Dividend income on investment in financial assets at FVOCI, included in investment income	(76)	(110)	(30.9)	(255)	(377)	(32.4)
Net loss on investment in financial assets at FVTPL, included in investment income	16	817	(98.0)	471	439	7.3
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-22 \$'000	31-Dec-21 \$'000	30-Sep-22 \$'000	31-Dec-21 \$'000
Assets				
Plant and equipment	6,375	7,552	1,331	1,968
Right-of-use assets	12,571	14,198	1,951	4,244
Intangible assets and goodwill	65,479	32,623	22,812	23,332
Subsidiaries	-	-	136,723	57,084
Associates	3,519	6,552	767	6,748
Other investments	15,410	2,919	2,535	2,535
Deferred tax assets	2,557	2,448	-	-
Contract costs	8,180	3,241	-	-
Prepayments and others	1,391	675	11	11
Total non-current assets	115,482	70,208	166,130	95,922
Current tax receivable	317	219	-	-
Other investments	24,511	15,197	17,301	11,046
Contract costs	77	97	-	-
Prepayments and others	5,203	3,107	227	247
Trade and other receivables	85,942	55,126	33,969	30,045
Uncompleted contracts - buyers	122,498	36,800	-	-
Money market funds	18,689	5,751	13,687	-
Cash at bank and in hand	116,828	38,346	5,676	3,173
Total current assets	374,065	154,643	70,860	44,511
Total assets	489,547	224,851	236,990	140,433
Equity				
Share capital	171,004	67,577	171,004	67,577
Reserves	52,270	61,076	21,684	27,256
Equity attributable to owners of the Company	223,274	128,653	192,688	94,833
Non-controlling interests	7,223	(1,018)	-	-
Total equity	230,497	127,635	192,688	94,833
Liabilities				
Deferred tax liabilities	2,692	3,092	1,871	2,221
Lease liabilities	6,588	7,513	156	846
Total non-current liabilities	9,280	10,605	2,027	3,067
Current tax payables	2,540	4,191	-	-
Lease liabilities	6,982	7,665	1,744	3,303
Deposits and balances of customers	65,294	-	-	-
Trade and other payables	51,738	38,016	40,531	39,230
Uncompleted contracts - sellers	123,216	36,739	-	-
Total current liabilities	249,770	86,611	42,275	42,533
Total liabilities	259,050	97,216	44,302	45,600
Total equity and liabilities	489,547	224,851	236,990	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	
	3Q22 \$'000	3Q21 \$'000	9M22 \$'000	9M21 \$'000
Cash flows from operating activities				
Profit for the period	1,634	7,543	4,379	23,271
Adjustments for:				
Depreciation of plant and equipment	1,039	619	2,824	1,773
Depreciation of right-of-use assets	1,855	1,826	5,488	5,428
Amortisation of intangible assets	2,339	2,150	7,071	6,231
Bad debts written off	8	-	8	-
Equity-settled share-based payment to staff and advisers	2,895	1,563	7,722	4,281
Dividend income on investment in financial assets at FVOCI	(76)	(110)	(255)	(377)
Gain on redemption of investment in financial assets at FVOCI	-	-	(198)	-
Net loss on investment in financial assets at FVTPL	16	817	471	439
Dividend income on investment in associates	(9)	(9)	(27)	(27)
Share of results of associates, net of tax	74	50	(327)	133
Foreign exchange loss / (gain), net	155	(58)	192	(31)
Plant and equipment written off	-	(1)	1	(1)
Intangible asset written off	9	-	13	-
Impairment loss related to an associate	-	-	5,200	-
Premium or discount amortisation on debt securities	(295)	-	(295)	-
Interest expense on lease liabilities	71	116	346	431
Tax expense	1,297	1,542	4,070	4,514
	<u>11,012</u>	<u>16,049</u>	<u>36,683</u>	<u>46,066</u>
Changes in:				
Contract costs	(1,809)	(1,374)	(3,998)	(1,374)
Prepayments	(467)	913	166	(397)
Trade and other receivables	(10,502)	(12,762)	(11,293)	(14,404)
Uncompleted contracts - buyers	(49,350)	13,541	(79,222)	9,663
Uncompleted contracts - sellers	48,380	(13,557)	81,836	(9,715)
Trade and other payables	(6,159)	6,364	(12,700)	6,032
Cash generated from operations	(8,895)	9,174	11,472	35,871
Tax paid	(2,493)	(2,040)	(6,222)	(4,480)
Interest paid on lease liabilities	(68)	(145)	(330)	(460)
Net cash (used in) / from operating activities	(11,456)	6,989	4,920	30,931
Cash flows from investing activities				
Purchase of plant and equipment	(582)	(2,329)	(1,784)	(3,585)
Purchase of intangible assets	(1,976)	(5,067)	(10,563)	(12,241)
Proceeds from disposal of plant and equipment	(1)	-	(1)	-
Additional investment in associates	(91)	(94)	(91)	(469)
Dividend from associates	18	18	36	36
Net cash inflow from acquisition of subsidiaries	17.3	-	49,534	-
Purchase of investment in financial assets	(71,147)	(39,629)	(161,975)	(137,954)
Proceeds from redemption of investment in financial assets	65,341	38,955	138,514	135,785
Dividends received from investment in financial assets at FVOCI	1	1	3	3
Net cash (used in) / from investing activities	(8,436)	(8,145)	13,674	(18,425)
Cash flows from financing activities				
Proceeds from placement of new shares, net	-	-	103,334	-
Proceeds from exercise of share options	-	240	93	587
Purchase of treasury shares	(401)	-	(2,391)	-
Drawdown of bank loans	-	-	-	5,000
Repayment of bank loans	-	-	-	(5,000)
Principal element of lease payments	(2,187)	(1,848)	(6,099)	(5,331)
Dividends paid to owners of the Company	(3,222)	(3,045)	(10,254)	(8,575)
Net cash (used in) / from financing activities	(5,810)	(4,653)	84,683	(13,319)
Net (decrease) / increase in cash and cash equivalents	(25,702)	(5,809)	103,277	(813)
Cash and cash equivalents at beginning of the period	165,986	41,588	44,097	36,441
Effect of exchange rate fluctuations on cash held	(4,767)	221	(11,857)	372
Cash and cash equivalents at end of the period	135,517	36,000	135,517	36,000

(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 \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Share option reserve \$'000	Performance share reserve \$'000	Equity reserve \$'000	Reserve for own shares \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 January 2022	67,577	(4,019)	(1,542)	3,012	12,316	(2,010)	(160)	53,479	128,653	(1,018)	
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	5,128	5,128	(749)	4,379
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(3,305)	-	-	-	-	-	-	(3,305)	(1)	(3,305)
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	-	-	(7,159)	-	-	-	-	-	(7,159)	(1,165)	(8,324)
Share of other comprehensive income of associates	-	-	(61)	-	-	-	-	-	(61)	-	(61)
Total other comprehensive income	-	(3,503)	(7,220)	-	-	-	-	-	(10,723)	(1,165)	(11,888)
Total comprehensive income for the period	-	(3,503)	(7,220)	-	-	-	-	5,128	(5,595)	(1,914)	(7,509)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	93	-	-	-	-	-	-	-	93	-	93
Purchase of treasury shares	-	-	-	-	-	-	(2,391)	-	(2,391)	-	(2,391)
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)
One-tier tax-exempt interim dividend paid of 1.10 cents per share	-	-	-	-	-	-	-	(3,222)	(3,222)	-	(3,222)
Equity-settled share-based payment transactions	-	-	-	110	7,206	-	-	-	7,316	-	7,316
Total contributions by and distribution to owners	103,427	-	-	110	7,206	-	(865)	(9,662)	100,216	-	100,216
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	-	-	110	7,206	-	(865)	(9,662)	100,216	10,155	110,371
At 30 September 2022	171,004	(7,522)	(8,762)	3,122	19,522	(2,010)	(1,025)	48,945	223,274	7,223	230,497

(1) Amount less than \$1,000

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

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital	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 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	-	-	-	-	-	-	-	23,433	23,433	(162)	23,271
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(539)	-	-	-	-	-	-	(539)	8	(531)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	811	-	-	-	-	-	(811)	-	-	-
Foreign currency translation differences for foreign operations	-	-	685	-	-	-	-	-	685	2	687
Share of other comprehensive income of associates	-	(⁽¹⁾)	(4)	-	-	-	-	-	(4)	-	(4)
Total other comprehensive income	-	272	681	-	-	-	-	(811)	142	10	152
Total comprehensive income for the period	-	272	681	-	-	-	-	22,622	23,575	(152)	23,423
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	587	-	-	-	-	-	-	-	587	-	587
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)
One-tier tax-exempt interim dividend paid of 1.10 cents per share	-	-	-	-	-	-	-	(3,045)	(3,045)	-	(3,045)
Equity-settled share-based payment transactions	-	-	-	137	3,823	-	-	-	3,960	-	3,960
Total contributions by and distribution to owners	587	-	-	137	3,823	-	197	(7,160)	(2,416)	-	(2,416)
Total transactions with owners	587	-	-	137	3,823	-	197	(7,160)	(2,416)	-	(2,416)
At 30 September 2021	67,563	(2,601)	(1,246)	2,962	10,881	(2,010)	(160)	49,879	125,268	(861)	124,407

⁽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						
	Share capital	Attributable to owners of the Company					Total equity
		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							
Profit for the period	-	-	-	-	-	1,144	1,144
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(3,288)	-	-	-	-	(3,288)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(198)	-	-	-	-	(198)
Total other comprehensive income	-	(3,486)	-	-	-	-	(3,486)
Total comprehensive income for the period	-	(3,486)	-	-	-	1,144	(2,342)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	93	-	-	-	-	-	93
Purchase of treasury shares	-	-	-	-	(2,391)	-	(2,391)
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)
One-tier tax-exempt interim dividend paid of 1.10 cents per share	-	-	-	-	-	(3,222)	(3,222)
Equity-settled share-based payment transactions	-	-	91	7,206	-	-	7,297
Total contributions by and distribution to owners	103,427	-	91	7,206	(865)	(9,662)	100,197
Total transactions with owners	103,427	-	91	7,206	(865)	(9,662)	100,197
At 30 September 2022	171,004	(3,936)	1,930	19,522	(1,025)	5,193	192,688

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	-	-	-	-	-	10,728	10,728
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(690)	-	-	-	-	(690)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	811	-	-	-	(811)	-
Total other comprehensive income	-	121	-	-	-	(811)	(690)
Total comprehensive income for the period	-	121	-	-	-	9,917	10,038
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	587	-	-	-	-	-	587
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)
One-tier tax-exempt interim dividend paid of 1.10 cents per share	-	-	-	-	-	(3,045)	(3,045)
Equity-settled share-based payment transactions	-	-	90	3,823	-	-	3,913
Total contributions by and distribution to owners	587	-	90	3,823	197	(7,160)	(2,463)
Total transactions with owners	587	-	90	3,823	197	(7,160)	(2,463)
At 30 September 2021	67,563	(818)	1,808	10,881	(160)	19,349	98,623

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 2022 excluding treasury shares and subsidiary holdings was 292,919,713 ordinary shares (30 June 2022: 293,026,613 ordinary shares). The movements in the Company's share capital during the third quarter ended 30 September 2022 were as follows:

	Number of ordinary shares
As at 30 June 2022	293,026,613
Exercise of share options	-
Vesting of performance shares	-
Purchase of treasury shares	(106,900)
Re-issue of treasury shares	-
Issue of ordinary shares related to share placement	-
Share issuance expenses	-
As at 30 September 2022	<u>292,919,713</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 30 June 2022	3,444,406
Share options granted	-
Exercised	-
Forfeited	-
As at 30 September 2022	<u>3,444,406</u>

As at 30 September 2022, the number of outstanding share options under the iFAST ESOS was 3,444,406 (30 September 2021: 3,466,406).

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 2022	9,420,200
Performance shares granted but not vested	-
Vested	-
Forfeited	(128,300)
As at 30 September 2022	<u>9,291,900</u>

As at 30 September 2022, the number of outstanding performance shares granted but not vested under the iFAST PSP was 9,291,900 (30 September 2021: 8,814,500).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 30 June 2022	172,800
Purchased by way of on-market acquisition	106,900
Purchased by way of off-market acquisition	-
Re-issued	-
As at 30 September 2022	<u>279,700</u>

As at 30 September 2022, 279,700 (30 September 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 September 2022 and 30 September 2021.

As at 30 September 2022, the treasury shares held by the Company represented 0.1% (30 June September 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-Sep-22	As at 31-Dec-21
Total number of issued shares excluding treasury shares and subsidiary holdings	<u>292,919,713</u>	<u>276,946,913</u>

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

There were no sales, transfer, cancellation and/or use of treasury shares during the third quarter ended 30 September 2022.

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

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

	3Q22	3Q21	9M22	9M21
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	292,919,713	276,799,780	292,513,780	275,675,650
Basic earnings per share (cents)	0.71	2.74	1.75	8.50
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	300,576,720	287,460,014	301,560,297	286,864,269
Diluted earnings per share (cents)	0.69	2.64	1.70	8.17

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-22	31-Dec-21	30-Sep-22	31-Dec-21
Net asset value per ordinary share (cents)	76.22	46.45	65.78	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 further declines in the third quarter of 2022 ("3Q22") on investor concerns over rising inflation, higher interest rates and fears over a global slowdown in the quarter. The MSCI AC Asia ex Japan index dropped more than 13% quarter-on-quarter ("QoQ") and more than 28% year-on-year ("YoY") as at 30 September 2022.

However, the Group's net inflows of client assets still remained healthy at \$599 million in 3Q22, 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 assets under administration ("AUA") dropped 3.9% QoQ and 7.6% YoY to \$16.98 billion as at 30 September 2022, excluding the effective 39.6% share of the India Business from July 2022.

The Group's total revenue dropped 0.8% QoQ and 3.9% YoY to \$53.50 million in 3Q22 and decreased 1.1% YoY to \$160.34 million in nine months ended 30 September 2022 ("9M22"). The Group acquired the new United Kingdom ("UK")-based banking operation at end of March 2022.

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

	Group			Group		
	3Q22 \$'000	3Q21 \$'000	Change %	9M22 \$'000	9M21 \$'000	Change %
Non-banking operations	49,429	55,680	(11.2)	150,394	162,162	(7.3)
Banking operation	4,069	-	NM	9,943	-	NM
Total revenue	53,498	55,680	(3.9)	160,337	162,162	(1.1)

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

	Group			Group		
	3Q22 \$'000	3Q21 \$'000	Change %	9M22 \$'000	9M21 \$'000	Change %
Non-banking operations	786	150	424.0	1,637	511	220.4
Banking operation	523	-	NM	832	-	NM
Interest revenue	1,309	150	772.7	2,469	511	383.2

Interest revenue from existing non-banking operations of the Group increased by \$0.64 million or 424.0% to \$0.79 million in 3Q22, and increased by \$1.13 million or 220.4% to \$1.64 million in 9M22. 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 Group's non-interest revenue dropped 6.0% YoY to \$52.19 million in 3Q22 and 2.3% YoY to \$157.87 million in 9M22. 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").

	Group			Group		
	3Q22 \$'000	3Q21 \$'000	Change %	9M22 \$'000	9M21 \$'000	Change %
Non-banking operations						
- Business-to-Customer business	8,524	9,900	(13.9)	25,455	33,343	(23.7)
- Business-to-Business business	40,119	45,630	(12.1)	123,302	128,308	(3.9)
	48,643	55,530	(12.4)	148,757	161,651	(8.0)
Banking operation	3,546	-	NM	9,111	-	NM
Total revenue excluding interest revenue	52,189	55,530	(6.0)	157,868	161,651	(2.3)

The non-interest revenue generated from the new banking operation is commission income and fee charges mainly from transactional banking services including 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.

	3Q22 \$'000	Group 3Q21 \$'000	Change %	9M22 \$'000	Group 9M21 \$'000	Change %
Non-banking operations	21,577	25,217	(14.4)	68,055	76,658	(11.2)
Banking operation	1,567	-	NM	3,322	-	NM
	<u>23,144</u>	<u>25,217</u>	<u>(8.2)</u>	<u>71,377</u>	<u>76,658</u>	<u>(6.9)</u>

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 14.4% YoY to \$21.58 million in 3Q22 and 11.2% YoY to \$68.06 million in 9M22. 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.

	3Q22 \$'000	Group 3Q21 \$'000	Change %	9M22 \$'000	Group 9M21 \$'000	Change %
Non-banking operations	-	-	NM	-	1	NM
Banking operation	280	-	NM	477	-	NM
Interest expenses	<u>280</u>	<u>-</u>	<u>NM</u>	<u>477</u>	<u>1</u>	<u>NM</u>

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 decreased 1.3% YoY to \$30.07 million in 3Q22 but still grew 3.5% YoY to \$88.48 million in 9M22, with the breakdown of net interest revenue and net non-interest revenue respectively as follows.

	3Q22 \$'000	Group 3Q21 \$'000	Change %	9M22 \$'000	Group 9M21 \$'000	Change %
Non-banking operations	786	150	424.0	1,637	510	221.0
Banking operation	243	-	NM	355	-	NM
Net interest revenue	<u>1,029</u>	<u>150</u>	<u>586.0</u>	<u>1,992</u>	<u>510</u>	<u>290.6</u>

	3Q22 \$'000	Group 3Q21 \$'000	Change %	9M22 \$'000	Group 9M21 \$'000	Change %
Non-banking operations						
- Business-to-Customer business	8,385	9,599	(12.6)	24,899	31,953	(22.1)
- Business-to-Business business	18,681	20,714	(9.8)	55,803	53,040	5.2
	27,066	30,313	(10.7)	80,702	84,993	(5.0)
Banking operation	1,979	-	NM	5,789	-	NM
Total net revenue excluding net interest revenue	29,045	30,313	(4.2)	86,491	84,993	1.8

For B2C division of the Group's non-banking operations, its net revenue decreased by 12.6% YoY in 3Q22 and 22.1% in 9M22. 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, and decreases in recurring fees on decreased AUA of B2C division resulting from negative market impacts in recent quarters. The mentioned decreases were partially offset by the higher interest commission income arising from clients' AUA as well as cash management solution services provided to clients due to the improved interest rate environment in the period.

For B2B division of the Group's non-banking operations, its net revenue decreased by 9.8% YoY in 3Q22 although the net revenue increased 5.2% YoY in 9M22. These were due mainly to YoY decreases in transaction processing fees resulting from decreased investment subscription from institution customers in exchange-listed securities over the period, and decreases in certain recurring fee income on decreased AUA of investment products in B2B division resulting from negative market impacts especially in 3Q22. However, there were YoY increases in higher interest commission income arising from clients' AUA and cash management solution services provided to clients due to the improved interest rate environment, revenue from business units of insurance and recurring fee income arising from portfolio management services over the period.

In addition, benefitting from a rising interest rate environment in recent quarters, the net revenue of B2C division grew by 5.0% and the net revenue of B2B division also grew by 6.8% in 3Q22 compared to 2Q22.

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

	3Q22 \$'000	Group 3Q21 \$'000	Change %	9M22 \$'000	Group 9M21 \$'000	Change %
Non-banking operations						
- Recurring net revenue	21,731	20,518	5.9	61,921	58,291	6.2
- Non-recurring net revenue	6,121	9,945	(38.5)	20,418	27,212	(25.0)
	27,852	30,463	(8.6)	82,339	85,503	(3.7)
Banking operation						
- Recurring net revenue	243	-	NM	355	-	NM
- Non-recurring net revenue	1,979	-	NM	5,789	-	NM
	2,222	-	NM	6,144	-	NM
Total net revenue	30,074	30,463	(1.3)	88,483	85,503	3.5

The business model of the Group's non-banking operations gives a stream of reliable recurring revenue which is substantially based on AUA. In 9M22, 75.2% 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 increases in recurring net

revenue in 3Q22 and 9M22 were due mainly to increases in recurring fee income arising from portfolio management services and higher interest commission income arising from clients' AUA and cash management solution services provided to clients due to the improved interest rate environment in the period.

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 3Q22 and 9M22, the decreases in non-recurring net revenue were due mainly to decreases in transaction processing fees resulting from decreased investment subscription from B2C and B2B customers, 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 increases in transaction processing fees from increased client trade in bonds in 3Q22 and 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		
	3Q22 \$'000	3Q21 \$'000	Change %	9M22 \$'000	9M21 \$'000	Change %
Singapore	18,202	18,240	(0.2)	52,682	55,098	(4.4)
Hong Kong	5,969	8,045	(25.8)	18,042	18,434	(2.1)
Malaysia	3,233	3,486	(7.3)	10,182	9,994	1.9
China	448	692	(35.3)	1,433	1,977	(27.5)
United Kingdom	2,222	-	NM	6,144	-	NM
Total net revenue	30,074	30,463	(1.3)	88,483	85,503	3.5

In Singapore, the net revenue kept flat in 3Q22 compared to 3Q21 while it decreased by 4.4% YoY in 9M22. These were due mainly to YoY declines in performances of B2C and B2B divisions in unit trust ("UT") and exchange-listed stock securities which were negatively impacted by the volatile and challenging market environment in the period. The above was offset substantially by increases in recurring fee income arising from portfolio management services in the period and higher interest commission income arising from clients' AUA and cash management solution services provided to clients benefitting from a rising interest rate environment in recent quarters. Compared to 2Q22, the net revenue of Singapore operation grew 7.7% in 3Q22.

In Hong Kong, the net revenue dropped 25.8% YoY in 3Q22 and decreased 2.1% YoY in 9M22. The significant decrease in net revenue in 3Q22 compared 3Q21 was due mainly to a significant YoY drop in the market value of client asset holdings affected by the market concerns over rising inflation and fears over a global recession in 3Q22 and a first tranche of income from the e-Pension project, which was executed in July 2021, received in 3Q21. The above was offset substantially by increases in higher interest commission income arising from clients' AUA and cash management solution services provided to clients due to the improved interest rate environment, increases in revenue from business units of insurance and increases in volumes of exchange-listed securities trade in the period. In addition, benefitted from the continued enhancement and upgrading of products and services provided on the platforms over the period, there were significant amounts of client asset holdings transferred in to platforms of B2B division in 3Q22. Compared to 2Q22, the net revenue of Hong Kong operation grew 5.3% in 3Q22.

In Malaysia, net inflows from clients continued slowing down in 3Q22 due to the negative market sentiment in global financial markets during the period. The net revenue dropped 7.3% YoY in 3Q22 but still increased 1.9% YoY in 9M22. However, the client's trade demand in bonds remained strong and there was higher interest commission income arising from clients' AUA due to the improved interest rate environment in recent quarters. Compared to 2Q22, the net revenue of Malaysia operation grew 11.1% in 3Q22.

In China, its domestic demand and consumption continued remaining weak in 3Q22 due to low consumer sentiments and movement restrictions from the current Covid preventive measures. The net revenue of China operation dropped 35.3% YoY in 3Q22 and 27.5% YoY in 9M22, due mainly to lower non-recurring net revenue on lower investment subscription amounts from clients in the period. The net revenue of China operation kept flat in 3Q22 compared to 2Q22.

The 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 is working with the bank to develop digital transaction banking business and incorporate the banking function into the existing ecosystem of the Group.

Other income

Other income recorded positive amount of \$0.58 million in 3Q22 against negative amount of \$0.57 million in 3Q21, and other income increased by \$0.36 million or 41.2% from \$0.88 million in 9M21 to \$1.24 million in 9M22. These were due to higher amounts of the Government financial supports received in 3Q22 than 3Q21 and significant market price drops in certain debt securities investments measured at FVTPL resulting from concerns of defaults in Chinese property bonds in 3Q21.

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) 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 in 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 33.6% from \$20.65 million in 3Q21 to \$27.57 million in 3Q22 and 31.1% from \$58.03 million in 9M21 to \$76.05 million in 9M22.

	Group			Group		
	3Q22 \$'000	3Q21 \$'000	Change %	9M22 \$'000	9M21 \$'000	Change %
Non-banking operations						
Depreciation of plant and equipment	1,015	619	64.0	2,760	1,773	55.7
Depreciation of right-of-use assets	1,747	1,826	(4.3)	5,380	5,428	(0.9)
Amortisation of intangible assets	2,339	2,150	8.8	7,071	6,231	13.5
Staff costs excluding equity-settled share-based payment transactions	10,342	9,798	5.6	30,072	28,407	5.9
Equity-settled share-based payment to staff and advisers	2,895	1,563	85.2	7,722	4,281	80.4
Other operating expenses	4,461	4,690	(4.9)	13,243	11,910	11.2
	22,799	20,646	10.4	66,248	58,030	14.2
Banking operation	4,774	-	NM	9,804	-	NM
Total operating expenses	27,573	20,646	33.6	76,052	58,030	31.1

Excluding the new banking operation, the Group's total operating expenses increased by 10.4% from \$20.65 million in 3Q21 to \$22.80 million in 3Q22 and 14.2% from \$58.03 million in 9M21 to \$66.25 million in 9M22. 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 64.0% from \$0.62 million in 3Q21 to \$1.02 million in 3Q22 and 55.7% from \$1.77 million in 9M21 to \$2.76 million in 9M22. Amortisation of intangible assets increased by 8.8% from \$2.15 million in 3Q21 to \$2.34 million in 3Q22 and 13.5% from \$6.23 million in 9M21 to \$7.07 million in 9M22. 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 9M22 compared to 9M21.

Excluding the new banking operation, equity-settled share-based payment to staff and advisers increased by 85.2% from \$1.56 million in 3Q21 to \$2.90 million in 3Q22 and 80.4% from \$4.28 million in 9M21 to \$7.72 million in 9M22, 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 5.6% from \$9.80 million in 3Q21 to \$10.34 million in 3Q22 and 5.9% from \$28.41 million in 9M21 to \$30.07 million in 9M22. 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 decreased by 4.9% from \$4.69 million in 3Q21 to \$4.46 million in 3Q22, due mainly to certain initial costs related to the e-Pension project (which was executed in July 2021) recognised in 3Q21 which was partially offset by increased spending in IT and related technology security services in the quarter. Other operating expenses increased by 11.2% from \$11.91 million in 9M21 to \$13.24 million in 9M22, due mainly to some transaction costs incurred for the acquisition of UK-based subsidiaries in the period and increased spending in IT and related technology security services in the period to support the continual growth of the Group's business ahead.

Interest expense on lease liabilities

Interest expense on lease liabilities decreased by 19.7% from \$0.43 million in 9M21 to \$0.35 million in 9M22 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.

There was no significant change in the Group's share of results after tax of associates in 3Q22 compared to 3Q21. The Group's share of results after tax of associates turned to be the share of profit in 9M22 due mainly to a one-off gain on disposal of joint venture business recognised in Providend in June 2022.

Profit for the period, after non-controlling interests

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

	3Q22	Group	Change	9M22	Group	Change
	\$'000	3Q21	%	\$'000	9M21	%
		\$'000			\$'000	
Singapore	4,368	6,078	(28.1)	13,302	21,812	(39.0)
Hong Kong	2,124	3,139	(32.3)	6,006	6,355	(5.5)
Malaysia	920	1,368	(32.7)	3,171	4,109	(22.8)
China	(1,783)	(1,395)	27.8	(5,283)	(4,196)	25.9
UK	(2,173)	-	NM	(3,125)	-	NM
Other ⁽¹⁾	(74)	(50)	48.0	327	(133)	NM
Profit before tax ⁽²⁾ excluding						
impairment loss related to an associate	3,382	9,140	(63.0)	14,398	27,947	(48.5)
Impairment loss related to an associate	-	-	NM	(5,200)	-	NM
Tax expense	(1,297)	(1,542)	(15.9)	(4,070)	(4,514)	(9.8)
Net profit after tax ⁽²⁾	2,085	7,598	(72.6)	5,128	23,433	(78.1)

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 excluding impairment loss of \$5.2 million decreased by 48.5% from \$27.95 million in 9M21 to \$14.40 million in 9M22, due mainly to the combined effects of a decline of 3.7% YoY in net revenue of the Group's non-banking operations due to the negative market environment and an increase of 14.2% 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 \$3.13 million contributed by the UK banking operation in the period.

Tax expense decreased by 9.8% YoY in 9M22 due mainly to lower taxable profit in 9M22, 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 78.1% YoY from \$23.43 million in 9M21 to \$5.13 million in 9M22.

Statement of Financial Position

The shareholders' equity of the Group increased to \$223.27 million as at 30 September 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 9M22, 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 \$94.73 million as at 30 September 2022 from \$59.29 million as at 31 December 2021. This was due mainly to net cash generated from operating activities in 9M22, 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, intangible assets, office lease payments and purchase of non-current investments in financial assets in the period.

Current assets increased to \$374.06 million as at 30 September 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 period, 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 \$115.48 million as at 30 September 2022 from \$70.21 million as at 31 December 2021. This was due mainly to additional non-current investments in financial assets and some additional project setup costs incurred for the Hong Kong pension project contract in the period 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 in June 2022.

Total liabilities increased to \$259.05 million as at 30 September 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 period and additional liabilities assumed from the acquisition of subsidiaries (based in UK) in March 2022.

Consolidated Statement of Cash Flows

Net cash used in operating activities was \$11.46 million in 3Q22 while net cash from operating activities was \$6.99 million in 3Q21, and net cash from operating activities decreased from \$30.93 million in 9M21 to \$4.92 million in 9M22. These were due mainly to lower cash generated from operating activities and higher income tax paid in the period and working capital movement cross quarters (e.g. reduction in deposits and balances of customers in banking operation at end of the period). Without the working capital movement, net cash from operating activities was \$11.01 million in 3Q22 while net cash from operating activities was \$16.05 million in 3Q21.

Net cash used in investing activities increased from \$8.15 million in 3Q21 to \$8.44 million in 3Q22, due mainly to additional net investments in financial assets in the quarter which was partially offset by lower purchase amounts of plant and equipment and intangible assets paid in 3Q22 compared in 3Q21. Net cash used in investing activities was \$18.43 million in 9M21 while net cash from investing activities was \$13.67 million in 9M22, due mainly to net cash of \$49.53 million from acquisition of subsidiaries (based in UK) recorded in March 2022 which was partially offset by additional net investments in financial assets in the period.

Net cash used in financing activities increased from \$4.65 million in 3Q21 to \$5.81 million in 3Q22, due mainly to some treasury share purchase and higher payment of lease principal amounts in the quarter. Net cash used in financing activities was \$13.32 million in 9M21 while net cash from financing activities was \$84.68 million in 9M22, due mainly to proceeds of \$103.33 million from share placement conducted in January 2022 which was partially offset by some treasury share purchase, higher dividend amounts paid to shareholders and higher payment of lease principal amounts 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 net revenue was down 1.3% YoY to \$30.07 million in 3Q22, as global financial markets continued to go through very difficult conditions. The 3Q22 net revenue included a contribution of \$2.22 million from iFAST Global Bank in UK. Compared to 2Q22, the Group's net revenue was up 0.7% in 3Q22.

The YoY decline in the Group's net revenue (non-banking operation) was mainly because the Group's non-recurring net revenue was down a substantial 38.5% YoY, reflecting reduced transactional activities in the midst of very poor global financial market conditions.

The Group's recurring net revenue (non-banking operation), on the other hand, was up a healthy 5.9% YoY and 8.3% QoQ to \$21.73 million in 3Q22. The increase in the Group's recurring net revenue (non-banking operation) was largely due to higher net interest income on the cash portion of our Group AUA in the quarter.

The Group's AUA as at 30 September 2022 was down 7.6% YoY to \$16.98 billion as a result of the sharp declines in most equity and bond markets, as well as our decision to exit the onshore platform service business in India. It is worth noting that net inflows of client assets remained healthy this year (positive \$599 million in 3Q22 and positive \$1,861 million in 9M22).

2022 will be a year whereby while the Group's overall revenue may be flat, the Group's net profit will see a substantial decline compared to 2021. This happens as we incur an impairment charge for our India business (recognised in 2Q22), initial operating losses for iFAST Global Bank, and an increase in the Group's overall operating expenses, which grew 14.2% YoY (excluding the bank) in 9M22.

The Group's operating expenses are increasing even as our revenue trend flattens 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.

Despite the difficult conditions of current global financial markets, we expect the Group's business to see accelerated growth momentum from 2023 onwards, and we expect the Group's revenues and profitability to grow to new highs in 2023 as our ePension division, which is not subject to market volatilities, 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	1.30 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	1.30 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The interim dividend will be paid on 18 November 2022.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 9 November 2022 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 8 November 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 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 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
9M22							
Revenue and expenses							
Revenue from external customers	96,993	32,715	17,035	2,014	9,111	-	157,868
Interest revenue from external customers	1,322	82	172	61	832	-	2,469
Inter-segment revenue	3,432	150	2,775	75	-	-	6,432
Total revenue	101,747	32,947	19,982	2,150	9,943	-	166,769
Depreciation of plant and equipment	(1,993)	(221)	(343)	(203)	(64)	-	(2,824)
Depreciation of right-of-use assets	(2,516)	(1,715)	(363)	(786)	(108)	-	(5,488)
Amortisation of intangible assets	(6,508)	(55)	(479)	(29)	(1)	-	(7,071)
Impairment loss related to an associate	-	-	-	-	-	(5,200)	(5,200)
Reportable segment profit / (loss) before tax	8,102	6,006	3,171	(5,480)	(3,677)	-	8,122
Share of results of associates	-	-	-	-	-	327	327
Assets and liabilities							
Reportable segment assets	251,013	45,161	27,637	6,410	155,807	-	486,028
Equity-accounted associates	-	-	-	-	-	3,519	3,519
Capital expenditure	6,950	327	790	36	98	-	8,201
Reportable segment liabilities	135,113	20,208	12,987	4,144	86,598	-	259,050
9M21							
Revenue and expenses							
Revenue from external customers	103,687	36,774	18,537	2,653	-	-	161,651
Interest revenue from external customers	195	23	196	97	-	-	511
Inter-segment revenue	3,555	203	2,332	53	-	-	6,143
Total revenue	107,437	37,000	21,065	2,803	-	-	168,305
Depreciation of plant and equipment	(987)	(255)	(382)	(149)	-	-	(1,773)
Depreciation of right-of-use assets	(2,516)	(1,696)	(480)	(736)	-	-	(5,428)
Amortisation of intangible assets	(5,848)	(58)	(304)	(21)	-	-	(6,231)
Reportable segment profit / (loss) before tax	21,812	6,355	4,109	(4,358)	-	-	27,918
Share of results of associates	-	-	-	-	-	(133)	(133)
Assets and liabilities							
Reportable segment assets	173,374	55,711	22,404	8,897	-	-	260,386
Equity-accounted associates	-	-	-	-	-	6,315	6,315
Capital expenditure	10,335	798	1,911	319	-	-	13,363
Reportable segment liabilities	95,791	32,751	8,496	5,256	-	-	142,294

17. Other notes to consolidated financial statements

17.1 Other investments - investments in financial instruments

	Group	
	30-Sep-22 \$'000	31-Dec-21 \$'000
<u>Non-current</u>		
Financial assets at FVOCI		
- Unquoted equity shares	2,900	2,919
	<u>2,900</u>	<u>2,919</u>
Quoted financial assets at amortised cost		
- Debt investments	12,510	-
	<u>12,510</u>	<u>-</u>
	<u>15,410</u>	<u>2,919</u>
<u>Current</u>		
Quoted financial assets at FVOCI		
- Debt investments	7,587	96
- Equity investments	6,362	7,993
	<u>13,949</u>	<u>8,089</u>
Quoted financial assets at FVTPL		
- Debt investments	8,839	7,108
	<u>8,839</u>	<u>7,108</u>
Quoted financial assets at amortised cost		
- Debt investments	1,723	-
	<u>1,723</u>	<u>-</u>
	<u>24,511</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-Sep-22			31-Dec-21		
	Carrying amount	Fair value - Level 1	Fair value - Level 3	Carrying amount	Fair value - Level 1	Fair value - Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value						
Unquoted equity shares	2,900	-	2,900	2,919	-	2,919
Quoted financial assets at FVOCI	13,949	13,949	-	8,089	8,089	-
Quoted financial assets at FVTPL	8,839	8,839	-	7,108	7,108	-
Money market funds	18,689	18,689	-	5,751	5,751	-
Financial assets not measured at fair value						
Cash at bank and in hand	116,828			38,346		
Uncompleted contracts - buyers	122,498			36,800		
Trade and other receivables	85,942			55,126		
Quoted financial assets at Amortised Cost	14,233			-		
Financial liabilities not measured at fair value						
Uncompleted contracts - sellers	(123,216)			(36,739)		
Deposits and balances of customers	(65,294)			-		
Trade and other payables	(51,738)			(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	121,589
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-Sep-22 \$'000	31-Dec-21 \$'000
Client bank accounts	1,080,814	973,592
Client ledger balances	(1,080,814)	(973,592)
	<u>-</u>	<u>-</u>

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

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

	Allocation of Net Proceeds	Net Proceeds utilised as at 30 September 2022	Balance of Net Proceeds as at 30 September 2022
Use of Net Proceeds	\$' 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	15.1 ⁽²⁾	16.1
Net Proceeds	103.3	87.2	16.1

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 (amounting to 85.0% shareholding in EPHL) in March 2022.

(2) The amounts of \$15.1 million deployed for working capital purposes comprise funding of \$10.0 million for newer business units (including cash management solution unit) and \$5.1 million for enhancement or further development of our platform capabilities as at 30 September 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
26 October 2022