



**iFAST Corporation Ltd.
and its Subsidiaries**

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

**Unaudited Second Quarter and Half Year 2020
Financial Statements Announcement**

Second Quarter 2020 Financial Statements and Dividend Announcement

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

Consolidated income statement for the second quarter and half year ended 30 June 2020

	2Q20 \$'000	Group 2Q19 \$'000	Change %	1H20 \$'000	Group 1H19 \$'000	Change %
Revenue	38,552	30,638	25.8	77,030	57,827	33.2
Brokerage expense and commission and fee paid or payable to third party financial advisers	(18,713)	(14,263)	31.2	(38,371)	(26,435)	45.2
	19,839	16,375	21.2	38,659	31,392	23.1
Other income	1,821	472	285.8	2,381	1,084	119.6
Depreciation of plant and equipment	(461)	(497)	(7.2)	(984)	(946)	4.0
Depreciation of right-of-use assets	(1,789)	(1,498)	19.4	(3,425)	(2,891)	18.5
Amortisation of intangible assets	(1,630)	(1,220)	33.6	(3,179)	(2,392)	32.9
Staff costs	(9,117)	(7,373)	23.7	(17,122)	(14,477)	18.3
Other operating expenses	(2,896)	(3,302)	(12.3)	(6,276)	(6,649)	(5.6)
Results from operating activities	5,767	2,957	95.0	10,054	5,121	96.3
Finance income	185	323	(42.7)	550	578	(4.8)
Finance costs	(209)	(296)	(29.4)	(406)	(712)	(43.0)
Net finance (costs) / income	(24)	27	NM	144	(134)	NM
Share of results of associates, net of tax	(3)	(111)	(97.3)	(74)	(247)	(70.0)
Profit before tax	5,740	2,873	99.8	10,124	4,740	113.6
Tax expense	(1,258)	(481)	161.5	(2,047)	(799)	156.2
Profit for the period	4,482	2,392	87.4	8,077	3,941	104.9
Profit attributable to:						
Owners of the Company	4,528	2,451	84.7	8,163	4,054	101.4
Non-controlling interests	(46)	(59)	(22.0)	(86)	(113)	(23.9)
Profit for the period	4,482	2,392	87.4	8,077	3,941	104.9

NM denotes not meaningful.

FVOCI denotes fair value through other comprehensive income.

FVTPL denotes fair value through profit or loss.

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

Consolidated statement of comprehensive income for the second quarter and half year ended 30 June 2020

	2Q20	Group 2Q19	Change	1H20	Group 1H19	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	4,482	2,392	87.4	8,077	3,941	104.9
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	(95)	1	NM	(103)	11	NM
Net change in fair value of financial assets-debt investments at FVOCI reclassified to profit or loss	133	-	NM	133	(11)	NM
Foreign currency translation differences for foreign operations	(677)	(81)	735.8	741	(165)	NM
Share of other comprehensive income of associates	(32)	7	NM	(26)	-	NM
	<u>(671)</u>	<u>(73)</u>	<u>819.2</u>	<u>745</u>	<u>(165)</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	499	79	531.6	(729)	446	NM
	<u>499</u>	<u>79</u>	<u>531.6</u>	<u>(729)</u>	<u>446</u>	<u>NM</u>
Other comprehensive income for the period, net of tax	<u>(172)</u>	<u>6</u>	<u>NM</u>	<u>16</u>	<u>281</u>	<u>(94.3)</u>
Total comprehensive income for the period	<u>4,310</u>	<u>2,398</u>	<u>79.7</u>	<u>8,093</u>	<u>4,222</u>	<u>91.7</u>
Attributable to:						
Owners of the Company	4,362	2,458	77.5	8,185	4,335	88.8
Non-controlling interests	(52)	(60)	(13.3)	(92)	(113)	(18.6)
Total comprehensive income for the period	<u>4,310</u>	<u>2,398</u>	<u>79.7</u>	<u>8,093</u>	<u>4,222</u>	<u>91.7</u>

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

	Group			Group		
	2Q20	2Q19	Change	1H20	1H19	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>						
Other income						
- Net investment income	(797)	(460)	73.3	(696)	(971)	(28.3)
- Government grant	(1,009)	-	NM	(1,655)	(89)	NM
- Miscellaneous income	(15)	(12)	25.0	(30)	(24)	25
	(1,821)	(472)	285.8	(2,381)	(1,084)	119.6
Finance income						
- Interest income from cash and cash equivalents	(48)	(64)	(25.0)	(99)	(149)	(33.6)
- Interest income from clients trade settlement bank accounts	(130)	(256)	(49.2)	(440)	(422)	4.3
- Interest income from investment in financial assets	(6)	(1)	500	(8)	(3)	166.7
- Interest income from receivables	(1)	(2)	(50)	(3)	(4)	(25.0)
	(185)	(323)	(42.7)	(550)	(578)	(4.8)
Finance costs						
- Interest expense on bank loans	16	105	(84.8)	38	335	(88.7)
- Interest expense on lease liabilities	193	191	1.0	368	377	(2.4)
	209	296	(29.4)	406	712	(43.0)
Lease expense	10	201	(95.0)	20	469	(95.7)
Foreign exchange loss / (gain), net	31	193	(83.9)	(120)	433	NM
Equity-settled share-based payment transactions, included in staff costs	806	747	7.9	1,496	1,437	4.1
Impairment loss on investment in financial assets at FVOCI, included in other operating expenses	133	-	NM	133	-	NM
Equity-settled share-based payment transactions, included in other operating expenses	49	8	512.5	72	8	800.0
Gain on redemption of investment in financial assets at FVOCI, included in investment income	-	-	NM	-	(11)	(100.0)
Dividend income on investment in financial assets at FVOCI, included in investment income	(137)	(135)	1.5	(282)	(295)	(4.4)
Net gain on investment in financial assets at FVTPL, included in investment income	(651)	(316)	106.0	(396)	(647)	(38.8)
Dividend income on investment in associates	(9)	(9)	-	(18)	(18)	-

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

	Group		Company	
	As at 30-Jun-20 \$'000	As at 31-Dec-19 \$'000	As at 30-Jun-20 \$'000	As at 31-Dec-19 \$'000
Assets				
Plant and equipment	3,508	3,689	73	161
Right-of-use assets	21,259	14,390	9,235	877
Intangible assets and goodwill	23,442	22,212	19,665	18,763
Subsidiaries	-	-	52,580	51,608
Associates	6,005	5,375	5,964	5,351
Other investments	5,210	5,329	1,219	1,189
Deferred tax assets	1,002	1,139	-	-
Prepayments and others	471	327	11	11
Total non-current assets	60,897	52,461	88,747	77,960
Current tax receivable	-	30	-	-
Other investments	20,294	19,144	17,064	16,440
Prepayments and others	1,526	1,759	150	108
Trade and other receivables	38,392	34,720	20,309	18,817
Uncompleted contracts - buyers	66,072	24,246	-	-
Money market funds	550	616	-	-
Cash at bank and in hand	25,447	24,195	2,743	2,765
Total current assets	152,281	104,710	40,266	38,130
Held under trust				
Client bank accounts	720,114	410,723	-	-
Client ledger balances	(720,114)	(410,723)	-	-
	-	-	-	-
Total assets	213,178	157,171	129,013	116,090
Equity				
Share capital	66,358	66,180	66,358	66,180
Reserves	29,009	23,877	24,472	19,369
Equity attributable to owners of the Company	95,367	90,057	90,830	85,549
Non-controlling interests	(513)	(421)	-	-
Total equity	94,854	89,636	90,830	85,549
Liabilities				
Deferred tax liabilities	1,914	1,928	1,642	1,628
Lease liabilities	15,108	10,755	5,862	69
Total non-current liabilities	17,022	12,683	7,504	1,697
Current tax payables	2,930	1,530	-	-
Lease liabilities	6,821	4,366	3,239	819
Bank loans	3,843	3,806	3,843	3,806
Trade and other payables	21,837	20,955	23,597	24,219
Uncompleted contracts - sellers	65,871	24,195	-	-
Total current liabilities	101,302	54,852	30,679	28,844
Total liabilities	118,324	67,535	38,183	30,541
Total equity and liabilities	213,178	157,171	129,013	116,090

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

Amount repayable in one year or less, or on demand

	Group			
	As at 30-Jun-20 \$'000		As at 31-Dec-19 \$'000	
	Secured	Unsecured	Secured	Unsecured
Bank loans	-	3,843	-	3,806
	<u>-</u>	<u>3,843</u>	<u>-</u>	<u>3,806</u>

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

Amount repayable after one year

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

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

	Group		Group	
	2Q20 \$'000	2Q19 \$'000	1H20 \$'000	1H19 \$'000
Cash flows from operating activities				
Profit for the period	4,482	2,392	8,077	3,941
Adjustments for:				
Depreciation of plant and equipment	461	497	984	946
Depreciation of right-of-use assets	1,789	1,498	3,425	2,891
Amortisation of intangible assets	1,630	1,220	3,179	2,392
Equity-settled share-based payment transactions	855	755	1,568	1,445
Dividend income on investment in financial assets at FVOCI	(137)	(135)	(282)	(295)
Gain on redemption of investment in financial assets at FVOCI	-	-	-	(11)
Net gain on investment in financial assets at FVTPL	(651)	(316)	(396)	(647)
Share of results of associates, net of tax	3	111	74	247
Dividend income on investment in associates	(9)	(9)	(18)	(18)
Foreign exchange loss / (gain), net	31	193	(120)	433
Loss on disposal of plant and equipment	-	(1)	-	1
Impairment loss on investment in financial assets at FVOCI	133	-	133	-
Net finance costs / (income)	24	(27)	(144)	134
Tax expense	1,258	481	2,047	799
	9,869	6,660	18,527	12,258
Change in uncompleted contracts and trade and other receivables	969	3,951	(43,173)	(16,267)
Change in uncompleted contracts and trade and other payables	715	(3,733)	44,420	13,921
Cash generated from operations	11,553	6,878	19,774	9,912
Tax paid	(74)	(838)	(455)	(854)
Interest received	185	323	550	578
Interest paid on bank loans	-	(15)	-	(182)
Interest paid on lease liabilities	(193)	(194)	(368)	(377)
Net cash from operating activities	11,471	6,154	19,501	9,077
Cash flows from investing activities				
Purchase of plant and equipment	(118)	(827)	(759)	(1,736)
Purchase of intangible assets	(1,750)	(1,672)	(6,306)	(6,424)
Proceeds from disposal of plant and equipment	-	-	-	1
Additional investment in associates	(118)	(917)	(731)	(917)
Dividend from associates	-	-	18	18
Purchase of investment in financial assets	(34,207)	(45,457)	(66,634)	(70,277)
Proceeds from redemption of investment in financial assets	36,006	43,102	63,904	67,249
Dividends received from investment in financial assets at FVOCI	2	1	3	3
Net cash used in investing activities	(185)	(5,770)	(10,505)	(12,083)
Cash flows from financing activities				
Proceeds from exercise of share options	32	73	178	106
Purchase of treasury shares	(196)	-	(475)	-
Repayment of bank loans	-	(3,627)	-	(27,124)
Principal element of lease payments	(1,778)	(1,441)	(3,385)	(2,753)
Dividends paid to owners of the Company	(4,473)	(4,425)	(4,473)	(4,425)
Net cash used in financing activities	(6,415)	(9,420)	(8,155)	(34,196)
Net increase / (decrease) in cash and cash equivalents	4,871	(9,036)	841	(37,202)
Cash and cash equivalents at beginning of the period	21,676	33,148	24,811	61,301
Effect of exchange rate fluctuations on cash held	(550)	(98)	345	(85)
Cash and cash equivalents at end of the period	25,977	24,014	25,997	24,014

(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 2020	66,180	(1,134)	(1,453)	2,549	4,257	(2,010)	(199)	21,867	90,057	(421)	
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	8,163	8,163	(86)	8,077
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(825)	-	-	-	-	-	-	(825)	(7)	(832)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	133	-	-	-	-	-	-	133	-	133
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	-	-	(1)	-	-	-
Foreign currency translation differences for foreign operations	-	-	740	-	-	-	-	-	740	1	741
Share of other comprehensive income of associates	-	(1)	(26)	-	-	-	-	-	(26)	-	(26)
Total other comprehensive income	-	(692)	714	-	-	-	-	-	22	(6)	16
Total comprehensive income for the period	-	(692)	714	-	-	-	-	8,163	8,185	(92)	8,093
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	178	-	-	-	-	-	-	-	178	-	178
Purchase of treasury shares	-	-	-	-	-	-	(475)	-	(475)	-	(475)
Treasury shares re-issued	-	-	-	-	-	-	317	82	399	-	399
One-tier tax-exempt 2019 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,440)	(2,440)	-	(2,440)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,033)	(2,033)	-	(2,033)
Equity-settled share-based payment transactions	-	-	-	164	1,332	-	-	-	1,496	-	1,496
Total contributions by and distribution to owners	178	-	-	164	1,332	-	(158)	(4,391)	(2,875)	-	(2,875)
Total transactions with owners	178	-	-	164	1,332	-	(158)	(4,391)	(2,875)	-	(2,875)
At 30 June 2020	66,358	(1,826)	(739)	2,713	5,589	(2,010)	(357)	25,639	95,367	(513)	94,854

(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 \$'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 2019	65,969	(1,443)	(1,229)	2,113	2,957	(2,010)	(1,404)	20,611	85,564	(209)	
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	4,054	4,054	(113)	3,941
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	457	-	-	-	-	-	-	457	-	457
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(11)	-	-	-	-	-	-	(11)	-	(11)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	-	-	(1)	-	-	-
Foreign currency translation differences for foreign operations	-	-	(165)	-	-	-	-	-	(165)	(1)	(165)
Share of other comprehensive income of associates	-	-	(1)	-	-	-	-	-	-	-	-
Total other comprehensive income	-	446	(165)	-	-	-	-	-	281	-	281
Total comprehensive income for the period	-	446	(165)	-	-	-	-	4,054	4,335	(113)	4,222
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	106	-	-	-	-	-	-	-	106	-	106
Treasury shares re-issued	-	-	-	-	(1,286)	-	1,205	197	116	-	116
One-tier tax-exempt 2018 final dividend paid of 0.90 cents per share	-	-	-	-	-	-	-	(2,413)	(2,413)	-	(2,413)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(2,012)	(2,012)	-	(2,012)
Equity-settled share-based payment transactions	-	-	-	200	1,237	-	-	-	1,437	-	1,437
Total contributions by and distribution to owners	106	-	-	200	(49)	-	1,205	(4,228)	(2,766)	-	(2,766)
Total transactions with owners	106	-	-	200	(49)	-	1,205	(4,228)	(2,766)	-	(2,766)
At 30 June 2019	66,075	(997)	(1,394)	2,313	2,908	(2,010)	(199)	20,437	87,133	(322)	86,811

(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 2020	66,180	(1,132)	1,613	4,257	(199)	14,830	85,549
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	8,825	8,825
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(684)	-	-	-	-	(684)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	133	-	-	-	-	133
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	(1)	-
Total other comprehensive income	-	(551)	-	-	-	-	(551)
Total comprehensive income for the period	-	(551)	-	-	-	8,825	8,274
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	178	-	-	-	-	-	178
Purchase of treasury shares	-	-	-	-	(475)	-	(475)
Treasury shares re-issued	-	-	-	-	317	82	399
One-tier tax-exempt 2019 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,440)	(2,440)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,033)	(2,033)
Equity-settled share-based payment transactions	-	-	46	1,332	-	-	1,378
Total contributions by and distribution to owners	178	-	46	1,332	(158)	(4,391)	(2,993)
Total transactions with owners	178	-	46	1,332	(158)	(4,391)	(2,993)
At 30 June 2020	66,358	(1,683)	1,659	5,589	(357)	19,264	90,830

⁽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						Total equity \$'000
	Attributable to owners of the Company						
	Share capital \$'000	Fair value reserve \$'000	Share option reserve \$'000	Performance share reserve \$'000	Reserve for own shares \$'000	Accumulated profits \$'000	
At 1 January 2019	65,969	(1,442)	1,564	2,957	(1,404)	16,615	84,259
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	8,652	8,652
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	457	-	-	-	-	457
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(11)	-	-	-	-	(11)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(1)	-	-	-	(1)	-
Total other comprehensive income	-	446	-	-	-	-	446
Total comprehensive income for the period	-	446	-	-	-	8,652	9,098
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	106	-	-	-	-	-	106
Treasury shares re-issued	-	-	-	(1,286)	1,205	197	116
One-tier tax-exempt 2018 final dividend paid of 0.90 cents per share	-	-	-	-	-	(2,413)	(2,413)
One-tier tax-exempt interim dividend paid of 0.75 cents per share	-	-	-	-	-	(2,012)	(2,012)
Equity-settled share-based payment transactions	-	-	10	1,237	-	-	1,247
Total contributions by and distribution to owners	106	-	10	(49)	1,205	(4,228)	(2,956)
Total transactions with owners	106	-	10	(49)	1,205	(4,228)	(2,956)
At 30 June 2019	66,075	(996)	1,574	2,908	(199)	21,039	90,401

(1) Amount less than \$1,000

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

The number of shares in issue in the Company as at 30 June 2020 excluding treasury shares and subsidiary holdings was 271,155,107 ordinary shares (31 March 2020: 269,827,707 ordinary shares). The movements in the Company's share capital during the second quarter ended 30 June 2020 were as follows:

	Number of ordinary shares
As at 31 March 2020	269,827,707
Exercise of share options	70,000
Vesting of performance shares	1,119,400
Purchase of treasury shares	(250,000)
Re-issue of treasury shares	388,000
As at 30 June 2020	<u><u>271,155,107</u></u>

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

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

	Number of share options
As at 31 March 2020	4,438,312
Share options granted	1,354,800
Exercised	(70,000)
Forfeited	-
As at 30 June 2020	<u><u>5,723,112</u></u>

On 1 May 2020, the Company granted the 1,354,800 share options pursuant to the iFAST Employee Share Option Scheme. As at 30 June 2020, the number of outstanding share options under the iFAST ESOS was 5,723,112 (30 June 2019: 4,958,290).

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 2020	6,387,800
Performance shares granted but not vested	5,537,800
Vested	(1,119,400)
Forfeited	(107,600)
As at 30 June 2020	<u>10,698,600</u>

On 1 April 2020 and 1 May 2020, the Company granted the 4,988,400 and 549,400 share awards pursuant to the iFAST PSP respectively. As at 30 June 2020, the number of outstanding performance shares granted but not vested under the iFAST PSP was 10,698,600 (30 June 2019: 7,833,300).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 31 March 2020	574,100
Purchased by way of on-market acquisition	250,000
Purchased by way of off-market acquisition	-
Re-issued	(388,000)
As at 30 June 2020	<u>436,100</u>

As at 30 June 2020, 436,100 (30 June 2019: 224,100) 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 27 April 2020.

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

As at 30 June 2020, the treasury shares held by the Company represented 0.2% (30 June 2019: 0.1%) of the total number of issued shares excluding treasury shares and subsidiary holdings.

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

	As at 30-Jun-20	As at 31-Dec-19
Total number of issued shares excluding treasury shares and subsidiary holdings	<u>271,155,107</u>	<u>268,732,479</u>

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

Between 1 April 2020 and 30 June 2020, the Company transferred 388,000 treasury shares for the settlement of sales incentive payable by the Group to certain individual investment advisers of the Group's newer 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 value of the treasury shares transferred was \$0.32 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 2020.

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

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

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

Not applicable.

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

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

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

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

Not applicable.

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

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

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

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

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

	2Q20	2Q19	1H20	1H19
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	271,075,440	268,356,196	270,169,774	267,702,437
Basic earnings per share (cents)	1.67	0.91	3.02	1.51
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	278,285,028	273,830,387	277,802,556	273,740,019
Diluted earnings per share (cents)	1.63	0.90	2.94	1.48

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-20	31-Dec-19	30-Jun-20	31-Dec-19
Net asset value per ordinary share (cents)	35.17	33.51	33.50	31.83

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

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

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

Consolidated Income Statement

Revenue

The gradual easing of Covid-19 lockdowns and early signs of economic recovery globally supported some rallies in global equity and credit markets in the second quarter of 2020 ("2Q20"), after a stark sell-off in global financial markets in the first quarter of 2020 ("1Q20").

The combined effects of improved investor sentiment globally and a new record quarterly net inflows of \$657 million in client assets on the Group's platforms in 2Q20 lead to that the Group's assets under administration ("AUA") grew 11.5% year-to-date ("YTD") and 23.4% year-on-year ("YoY") to a new record high of \$11.15 billion as at 30 June 2020.

Benefiting from the YoY growth of AUA, and the improved range as well as depth of products and services brought to clients and business partners supported by enhanced online platform capabilities in recent times, the Group's revenue reached another record high of \$38.55 million with a YoY growth of 25.8% in 2Q20 and \$77.03 million with a YoY growth of 33.2% in the first half year of 2020 ("1H20").

The following table shows the breakdown of the Group's revenue by two main business divisions, namely Business-to-Customer ('B2C') and Business-to-Business ('B2B').

	Group			Group		
	2Q20 \$'000	2Q19 \$'000	Change %	1H20 \$'000	1H19 \$'000	Change %
Business-to-Customer business	8,003	5,174	54.7	14,781	10,003	47.8
Business-to-Business business	30,549	25,464	20.0	62,249	47,824	30.2
Total revenue	38,552	30,638	25.8	77,030	57,827	33.2

For B2C division, following the strong performance in 1Q20, its revenue continued to grow significantly 54.7% YoY in 2Q20, and the revenue was up 47.8% YoY in 1H20. These were due mainly to significant increases in transaction fees resulting from increased investment subscription from customers especially in exchange-traded funds (“ETFs”) and stocks, and service fees arising from the provision of currency conversion administration services resulting from higher clients’ trading volume of ETFs and stocks listed on foreign exchanges. The Group’s average AUA of B2C division grew 27.5% YoY in 2Q20 and 27.2% YoY in 1H20.

For B2B division, due to the impact of the Covid-19 circuit breaker measures implemented in Singapore in 2Q20, the growth of revenue slowed down a bit in 2Q20 compared to 1Q20. However, the revenue of B2B division was still up 20.0% YoY in 2Q20 and 30.2% YoY in 1H20. Besides increases in transaction fees resulting from increased investment subscription from customers in ETFs and stocks and service fees arising from the currency conversion administration service provision, the trade volume of customers’ investment subscription in UTs and portfolio services continued growing YoY in 2Q20. The Group’s average AUA of B2B division grew 13.3% YoY in 2Q20 and 16.2% YoY in 1H20.

Brokerage expense and commission and fee paid or payable to third party financial advisers

Brokerage expense is brokerage fee paid to third party brokers for execution of clients’ trade of securities listed on overseas exchanges of which the Group is not a member. For B2B division, the substantial portion of front-end commission income and transaction fee from B2B customers is payable to third party financial advisers.

Brokerage expense and commission and fee paid or payable to third party financial advisers increased by 31.2% from \$14.26 million in 2Q19 to \$18.71 million in 2Q20 and 45.2% from \$26.44 million in 1H19 to \$38.37 million in 1H20. These were due mainly to significant increases in clients’ trade volume of ETFs and stocks from both B2C business and B2B business, and commission income from UT business including portfolio services in B2B division in the period.

Net revenue

Net revenue represents revenue earned by the Group after brokerage expense and commission and fee paid or payable to third party financial advisers. The Group’s net revenue of \$19.84 million in 2Q20 was 21.2% higher than 2Q19 and the net revenue of \$38.66 million in 1H20 was 23.1% higher than 1H19, with the breakdown by business divisions as follows.

	Group			Group		
	2Q20 \$'000	2Q19 \$'000	Change %	1H20 \$'000	1H19 \$'000	Change %
Business-to-Customer business	7,558	5,174	46.1	14,129	10,003	41.2
Business-to-Business business	12,281	11,201	9.6	24,530	21,389	14.7
Total net revenue	19,839	16,375	21.2	38,659	31,392	23.1

The following table shows the breakdown of the Group’s net revenue, by recurring and non-recurring basis. The Group’s business model gives a stream of reliable recurring revenue which is based on AUA. In 1H20, 72.1% of net revenue is derived from recurring net revenue and 27.9% is from non-recurring net revenue.

	Group			Group		
	2Q20 \$'000	2Q19 \$'000	Change %	1H20 \$'000	1H19 \$'000	Change %
Recurring net revenue	13,865	13,256	4.6	27,854	25,806	7.9
Non-recurring net revenue	5,974	3,119	91.5	10,805	5,586	93.4
Total net revenue	19,839	16,375	21.2	38,659	31,392	23.1

Recurring net revenue is usually calculated based on a percentage of average AUA of investment products distributed on the Group’s platforms, and mainly comprises trailer fees, platform fees,

wrap fees and net interest income arising from clients' AUA. The YoY increases in recurring net revenue in 2Q20 and 1H20 were due mainly to an increase in average AUA for both B2B business and B2C business during the period, which significantly benefited from new inflows of investments from customers over the period. The total inflows of customer investments, net of outflows of customer investments, were up 268.7% YoY in 2Q20 and 246.0% YoY in 1H20. The average AUA of the Group grew 16.9% YoY to \$10.24 billion in 2Q20 and 18.7% YoY to \$10.11 billion in 1H20.

Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commission or transaction fee; service fee arising from the provision of currency conversion administration services to customers and the provision of administration services to FA firms; brokerage service fee from arranging for insurance policies, advertising fee earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution fee from provision of IT Fintech solutions to business partners. The increases in non-recurring net revenue in 2Q20 and 1H20 were due mainly to an increase in financial institution clients' investment subscription in UTs including portfolio services, the significant growth of business in ETFs and stocks and the resulted increase in service fee arising from the currency conversion administration services provided to customers, and an increase in IT solution fee from provision of IT Fintech solutions to business partners in the period.

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

	Group			Group		
	2Q20 \$'000	2Q19 \$'000	Change %	1H20 \$'000	1H19 \$'000	Change %
Singapore	12,906	10,721	20.4	25,096	20,491	22.5
Hong Kong	4,357	3,945	10.4	9,176	7,618	20.5
Malaysia	2,307	1,642	40.5	3,859	3,035	27.1
	<u>19,570</u>	<u>16,308</u>	<u>20.0</u>	<u>38,131</u>	<u>31,144</u>	<u>22.4</u>
China	269	67	301.5	528	248	112.9
Total net revenue	<u>19,839</u>	<u>16,375</u>	<u>21.2</u>	<u>38,659</u>	<u>31,392</u>	<u>23.1</u>

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's net revenue. Besides a significant increase in financial institution clients' investment subscription in UTs including portfolio services, the significant YoY growth in the businesses of securities brokerage and other new products and services launched in recent years, including the cash management solution service through the FSM Auto-Sweep Account, and higher contributions from net interest income arising from increased clients' AUA led to the higher YoY growth in the net revenue in Singapore operation in the period. The average AUA of Singapore operation grew 17.2% YoY to \$6.91 billion in 2Q20 and 17.9% YoY to \$6.79 billion in 1H20.

In Hong Kong, the clients' investment trading volume in ETFs and stocks continued to increase in 2Q20. In addition, insurance business and UT business in B2B division also continued growing significantly YoY in the period. The net revenue in Hong Kong operation grew 10.4% YoY in 2Q20 and 20.5% YoY in 1H20. The average AUA of Hong Kong operation grew 10.8% YoY to \$2.27 billion in 2Q20 and 15.9% YoY to \$2.30 billion in 1H20.

In Malaysia, the Fintech solution division received some demand from business partners and contributed significantly to the net revenue in 2Q20. In addition, the newer business unit of iFAST Global Markets ("IGM") under the B2B business division continued to grow significantly YoY. The net revenue in Malaysia operation grew 40.5% YoY in 2Q20 and 27.1% YoY in 1H20. The average AUA of Malaysia operation grew 28.3% YoY to \$0.91 billion in 2Q20 and 31.5% YoY to \$0.90 billion in 1H20.

In China, we continued to see inflows of investments from institutional clients in 2Q20, and the amount of customers' investment subscription in UTs increased 161.4% YoY and 41.1% quarter-on-quarter ("QoQ") in 2Q20, following the similar trend in 1Q20. The net revenue in China operation grew 301.5% YoY in 2Q20 and 112.9% YoY in 1H20. The average AUA of China operation grew 53.7% YoY to \$0.14 billion in 2Q20 and 37.3% YoY to \$0.12 billion in 1H20.

Other income

Other income increased by \$1.35 million or 285.8% from \$0.47 million in 2Q19 to \$1.82 million in 2Q20, and \$1.30 million or 119.6% from \$1.08 million in 1H19 to \$2.38 million in 1H20. These were due to some market gain obtained on investment in financial assets at FVTPL resulting from a recovery in global financial markets in 2Q20 and support granted by the Government of Singapore during the period of uncertainties caused by the outbreak of Covid-19.

Operating expenses

Overall, the Group's total operating expenses increased by \$2.00 million or 14.4% from \$13.89 million in 2Q19 to \$15.89 million in 2Q20 and \$3.63 million or 13.3% from \$27.36 million in 1H19 to \$30.99 million in 1H20. These were due mainly to the Group's increased efforts in enhancing its platform capabilities including improving the range and depth of investment products and services being provided to customers in the existing markets including China market over the period so as to strengthen the Fintech Ecosystem of the Group and scale up the businesses of the Group further.

The increases in the Group's operating expenses in 2Q20 and 1H20 were also due to additional staff bonus accrued in 2Q20 in recognition and appreciation for employees who have continued to work effectively to support operation and business of the Group during this period affected by the Covid-19.

	Group			Group		
	2Q20 \$'000	2Q19 \$'000	Change %	1H20 \$'000	1H19 \$'000	Change %
Operating expenses (excluding China operation)	14,368	12,522	14.7	28,059	24,584	14.1
Operating expenses in China operation	1,525	1,368	11.5	2,927	2,771	5.6
Total operating expenses	<u>15,893</u>	<u>13,890</u>	<u>14.4</u>	<u>30,986</u>	<u>27,355</u>	<u>13.3</u>

Depreciation of plant and equipment in 2Q20 was slightly lower than the same period last year, due mainly to some plant and equipment having been fully depreciated in the period before 2Q20. There was no significant change in depreciation of plant and equipment in 1H20. Amortisation of intangible assets increased by \$0.41 million or 33.6% from \$1.22 million in 2Q19 to \$1.63 million in 2Q20 and \$0.79 million or 32.9% from \$2.39 million in 1H19 to \$3.18 million in 1H20. These were due mainly to additions of intangible assets (including internally-developed IT software assets) over the period, to support business expansion in the markets that the Group operates in and to continuously strengthen the Fintech capabilities of our investment platforms as well as the Fintech Ecosystem of the Group.

Depreciation of right-of-use assets increased by \$0.29 million or 19.4% from \$1.50 million in 2Q19 to \$1.79 million in 2Q20 and \$0.54 million or 18.5% from \$2.89 million in 1H19 to \$3.43 million in 1H20. These were due to higher carrying amount of right-of-use assets in 1H20. This mainly resulted from the renewal of Singapore office lease for next three years in 2Q20 and other factor that the Group did not recognise right-of-use assets and liabilities for some leases for which the lease term ended within 12 months from the date of initial application (1 January 2019) in accordance with SFRS(I) 16 *Leases*. Such leases were subsequently recognised in right-of-use assets and liabilities of the Group upon renewals in the second half of 2019. Consequently, the expense of short-term leases recognised in profit or loss statement was reduced in the period.

Staff costs increased by \$1.75 million or 23.7% from \$7.37 million in 2Q19 to \$9.12 million in 2Q20 and \$2.64 million or 18.3% from \$14.48 million in 1H19 to \$17.12 million in 1H20. Besides annual salary increment adjusted in 2020 and higher sales commission paid to staffs in line with higher revenue generated in the period, the increase in staff costs in 2Q20 was also due to additional staff bonus accrued in 2Q20 in recognition and appreciation for employees who have continued to work effectively to support operation and business of the Group during this period affected by the Covid-19. In addition, the Group continues to create new positions and hiring for new businesses the Group is planning.

Other operating expenses decreased by \$0.40 million or 12.3% from \$3.30 million in 2Q19 to \$2.90 million in 2Q20 and \$0.37 million or 5.6% from \$6.65 million in 1H19 to \$6.28 million in 1H20. These were due mainly to decreases in overseas travelling costs and short-term lease expenses in the period and some foreign exchange gain recognised due to the movement of foreign exchange market in 1H20, which was partially offset by increases in IT services and bank charges to support the growth of the Group's business in the period.

Net finance (costs) / income

Finance income decreased by \$0.13 million or 42.7% from \$0.32 million in 2Q19 to \$0.19 million in 2Q20 and \$0.03 million or 4.8% from \$0.58 million in 1H19 to \$0.55 million in 1H20, due mainly to lower deposit interest rates offered by banks in 2Q20.

Finance costs decreased by \$0.09 million or 29.4% from \$0.30 million in 2Q19 to \$0.21 million in 2Q20 and \$0.30 million or 43.0% from \$0.71 million in 1H19 to \$0.41 million in 1H20, due mainly to a decrease in interest expense on bank loans in line with repayment of significant loan amounts in 1H19.

Overall, net finance costs of \$0.02 million were incurred in 2Q20 while net finance income of \$0.03 million was recorded in 2Q19, and net finance income of \$0.14 million was recorded in 1H20 while net finance costs of \$0.13 million were incurred in 1H19.

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") and iFAST India Holdings Pte Ltd in the period.

The share of loss after tax of associates decreased by \$0.11 million or 97.3% YoY in 2Q20 and \$0.17 million or 70.0% YoY in 1H20, due mainly to some positive development achieved in the group of Providend in the period, which was partially offset by the share of more loss of iFAST India Holdings Pte Ltd resulting from increases in the Group's stake in iFAST India Holdings Pte Ltd over the period.

There was no significant YoY change in the results of iFAST India Holdings Pte Ltd in the period. iFAST India Holdings Pte Ltd is an ultimate holding company of iFAST Financial India Pvt Ltd ("iFAST India"), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. iFAST India had a AUA of Indian Rupee 24.75 billion (equivalent to \$457 million) as at 30 June 2020, growing at a 5-year compound annual growth rate ("CAGR") of approximately 21.8%. The Group's effective shareholding in iFAST India has been increased from 24.7% as at 30 June 2019 to 38.0% as at 30 June 2020, following some additional investments in India business over the period.

Profit for the period, after non-controlling interests

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

	Group			Group		
	2Q20 \$'000	2Q19 \$'000	Change %	1H20 \$'000	1H19 \$'000	Change %
Singapore	5,032	3,010	67.2	8,556	5,011	70.7
Hong Kong	862	843	2.3	2,438	1,517	60.7
Malaysia	1,105	413	167.6	1,587	928	71.0
Other ⁽¹⁾	(3)	(111)	(97.3)	(74)	(247)	(70.0)
Profit before tax (excluding China operation)	6,996	4,155	68.4	12,507	7,209	73.5
Tax expense	(1,258)	(481)	161.5	(2,047)	(799)	156.2
Net profit after tax (excluding China operation)	5,738	3,674	56.2	10,460	6,410	63.2
China operation ⁽²⁾	(1,210)	(1,223)	(1.1)	(2,297)	(2,356)	(2.5)
Net profit after tax (including China operation)	4,528	2,451	84.7	8,163	4,054	101.4

Notes:

(1) Referring to share of results of associates.

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

Overall, excluding China operation, the Group's profit before tax increased by \$2.84 million or 68.4% from \$4.16 million in 2Q19 to \$7.00 million in 2Q20 and \$5.30 million or 73.5% from \$7.21 million in 1H19 to \$12.51 million in 1H20. The higher profitability of the Group was contributed by the higher growth of net revenue in the period. The lower growth of profitability of Hong Kong operation in 2Q20 was affected by the more volatile market in Hong Kong resulting from increased geopolitical tensions in the quarter.

Tax expense increased by \$0.78 million or 161.5% YoY in 2Q20 and \$1.25 million or 156.2% YoY in 1H20, due mainly to higher taxable profit generated by Singapore operation in the period and the unutilised tax losses of Malaysia operation being fully recognised as at 31 December 2019.

China operation is continuing to build iFAST brand and business in both onshore Chinese market and offshore Chinese market. Following the improving situation in China market, the net losses of China operation in 2Q20 and 1H20 were slightly lower than the same period of last year.

Including China operation and tax expense, the Group's net profit after tax increased by \$2.08 million or 84.7% from \$2.45 million in 2Q19 to \$4.53 million in 2Q20 and \$4.11 million or 101.4% from \$4.05 million in 1H19 to \$8.16 million in 1H20.

Statement of Financial Position

The shareholders' equity of the Group increased to \$95.37 million as at 30 June 2020 from \$90.06 million as at 31 December 2019. This was due mainly to contribution of net profit generated in 1H20 and an increase in reserve from translation of foreign operations resulting from appreciation of Hong Kong dollar and Chinese yuan in the period, partially offset by a decrease in fair value of financial assets at FVOCI due to the decline in global financial markets in 1H20 and payments of dividends in 2Q20.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans, increased to \$42.45 million as at 30 June 2020 from \$40.15 million as at 31 December 2019. This was due mainly to net cash generated from operating activities in the period, partially offset by payments of additional investments in associates, additions of plant and equipment and intangible assets, office leases and dividends in 1H20.

Current assets increased to \$152.28 million as at 30 June 2020 from \$104.71 million as at 31 December 2019. This was due mainly to increases in cash and cash equivalents and investments in financial assets, trade and other receivables, and receivables from uncompleted contracts on securities dealing at end of the period.

Non-current assets increased to \$60.90 million as at 30 June 2020 from \$52.46 million as at 31 December 2019. The increase was due mainly to additions of intangible assets (including internally-developed IT software assets) and additional investment in associates in the period, and an increase in carrying amount of right-of-use assets mainly resulting from renewal of Singapore office lease for next three years in 2Q20.

Total liabilities increased to \$118.32 million as at 30 June 2020 from \$67.54 million as at 31 December 2019, due mainly to increases in payables from uncompleted contracts on securities dealing and trade and other payables at end of the period and an increase in carrying amount of lease liabilities mainly resulting from renewal of Singapore office lease for next three years in 2Q20.

Consolidated Statement of Cash Flows

Net cash from operating activities increased from \$6.15 million in 2Q19 to \$11.47 million in 2Q20 and from \$9.08 million in 1H19 to \$19.50 million in 1H20. These were due mainly to higher cash generated from operating activities in the period and favourable working capital movement resulting from receipts of amounts funded for some client trade with cross-month settlement at the end of 2019 in January 2020.

Net cash used in investing activities decreased from \$5.77 million in 2Q19 to \$0.19 million in 2Q20 and from \$12.08 million in 1H19 to \$10.51 million in 1H20, due mainly to settlement movement of investments in financial assets classified at FVTPL between quarters, and lower amounts of plant and equipment purchase and investment in associates in 2Q20 and 1H20.

Net cash used in financing activities decreased from \$9.42 million in 2Q19 to \$6.42 million in 2Q20 and from \$34.20 million in 1H19 to \$8.16 million in 1H20, due mainly to repayments of some bank loans drawn down in the second half year of 2018 in 1H19, which was partially offset by purchases of treasury share in 1H20.

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

No forecast or prospect statement was previously provided.

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

The Group reported a record quarterly net profit of \$4.53 million in 2Q20, an increase of 84.7% compared to 2Q19. This was achieved on the back of a 21.2% YoY increase in net revenue and a 25.8% YoY increase in gross revenue. For 1H20, the net profit grew 101.4% YoY on the back of a 23.1% YoY increase in net revenue and a 33.2% YoY growth in gross revenue.

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

Net inflows of client assets registered a record of \$1.25 billion in 1H20, pushing the Group's assets under administration ("AUA") from \$10.00 billion as at 31 Dec 2019 to a new record \$11.15 billion as at 30 Jun 2020.

Going forward, an acceleration of digital adoption in the wealth management industry will continue to be a positive factor underpinning the growth prospects of the Group. The Group will continue to work hard on cementing our position as a leading Fintech wealth management platform.

At the beginning of this year, the Group guided that the Group's operating expenses will amount to approximately \$59.9 million to \$61.4 million in 2020. Given the strong performance of the Group in 1H20 and the positive underlying trends that we are currently seeing, the Group now expects the full year 2020 operating expenses to amount to \$63.4 million to \$64.9 million. This reflects increases in IT infrastructure costs, marketing costs and performance-based remunerations, and additional headcounts in Singapore. We are of the view that for the long run we should continue to invest ahead so that we can be ready anytime to support new market demand continuously.

Barring unforeseen circumstances, the Group expects the full year 2020 performance to show healthy growth in profits and revenues compared to 2019.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

The interim dividend will be paid on 19 August 2020.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 5 August 2020 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 2020 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 will be registered to determine Members' entitlements to the 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 2020 to be false or misleading in any material aspect.

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

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

16. Use of proceeds from the Company’s initial public offering.

The Company refers to the net proceeds of \$48.0 million (excluding share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million) raised from the IPO on the SGX-ST on 11 December 2014 and the Company’s re-allocation of the net IPO proceeds announced on 27 October 2018. The following table sets out our use of the net IPO proceeds up to 30 June 2020.

	Allocation of IPO proceeds	Amount reallocated on 26 October 2018	IPO proceeds utilised as at 30 June 2020	Balance of IPO proceeds
Use of net proceeds	\$' million	\$' million	\$' million	\$' million
Mergers and acquisitions strategy	27.2	19.2	14.7	4.5
Expansion of our business in the Chinese market	7.0	7.0	7.0	-
Enhancement of our product capabilities, IT and services	8.0	16.0	16.0	-
Working capital purposes	5.8	5.8	5.8 ⁽²⁾	-
Net Proceeds	48.0 ⁽¹⁾	48.0	43.5	4.5

Note:

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

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

Pending the deployment of the remaining net proceeds as disclosed above, the balance of IPO proceeds of \$4.5 million has been used to invest in bonds, unit trusts and short term deposits as stated in the Prospectus.

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

BY ORDER OF THE BOARD

Leung Fung Yat, David
Chief Financial Officer
23 July 2020