

iFAST CORPORATION LTD.
Company Registration No.: 200007899C
(Incorporated in the Republic of Singapore)

Q & A SESSION AT THE ANNUAL GENERAL MEETING OF IFAST CORPORATION LTD. HELD AT LEVEL 4, HALL 406, SUNTEC SINGAPORE CONVENTION & EXHIBITION CENTRE, 1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593 AND BY ELECTRONIC MEANS ON FRIDAY, 23 APRIL 2021 AT 2.00 P.M.

Questions raised by Shareholder 1 who attended physically	
Question 1:	With reference to the other investment of \$19.8 million in the Annual Report, he sought clarification on the details of the other investment.
Reply:	Mr David Leung highlighted that the other investment of \$19.8 million mentioned was as at 31 March 2021. The other investment of \$19.8 million was related to investment in bonds and quoted equity investments such as bond fund, equity fund and fixed income fund, etc.
Question 2:	Will dividend or coupon received from the investment be considered as part of the profit?
Reply:	Mr David Leung replied that the dividend income received from the Other Investment had been included under Other income in Note 20 of the 2020 Annual Report or Page 4 of the 1Q2021 results announcement. The Chairman added that the Company utilised surplus funds for investment and to facilitate bond business.
Question 3:	Is unit trust the only product available in iFAST China as compared with Singapore and Hong Kong that offers a full range of investment products such as stocks, ETF, etc.? Is there possibility of obtaining other licenses to sell full range of investment products considering the huge market potential in China for stocks and ETF?
Reply:	The Chairman replied that iFAST China currently only has 1 licence i.e. to distribute Unit Trust products. When opportunities arises in the future, the Company would pursue other products. He cited the Company's business in Singapore, Hong Kong and Malaysia had started with unit trust as the only product. Over time, these markets have expanded and obtained additional licences to distribute more products, which is crucial in achieving their full potential as a wealth management platform.
Questions raised by Shareholder 2 who attended physically	
Question 4:	With regard to Hong Kong operations in 1Q2021, AUA increased but revenue and profitability did not grow in line. Besides lower interest rate, what is the reason for weaker performance as compared with other markets?
Reply:	The Chairman highlighted that AUA for Hong Kong operations as at 31 March 2021 compared with 31 March 2020 has increased by 40% while the increase of average AUA growth was 27% for 1Q2021 compared with 1Q2020. He acknowledged it was a decent growth though not as strong as businesses in Singapore and Malaysia. B2C business in Hong Kong grew well but B2B business did not grow as strongly as bond business were affected by changes in regulations which resulted in maturing of bonds. Actual growth in revenue for Hong Kong business was weaker also partly due to interest rates in Hong Kong

	reduced to a low level. As a result, it has affected fees received in the cash account.
Question 5: Reply	Is there any pressure on the trailer fee and how is it holding up? The Chairman replied that the Company do not see the downward pressure of trailer fee on average. The nature of the industry was such that over time as distributor in the distributor platform with increasing scale, there will be advantages in terms of negotiation. As there are many fund houses with limited number of distributors, he did not observe any downward pressure in trailer fee.
Question 6: Reply:	Relating to losses in China widened in 1Q2021, what is the Management's guidance for Chian business? What is China's profitability in the future? The Chairman explained that at this point of time, it is right and important to ensure growth in terms of the overall China business. It was encouraging to witness good momentum in China in the last one year and its strategy in China has also started to show results. Going forward, there is potential to achieve more business in China given the continuous growth momentum while the Company continues to invest in the China business. The Chairman emphasised that there is a possibility that losses in China would be higher in 2021 compared to 2020. Despite higher losses, overall quantum compared to overall Group profitability is manageable. While ensuring momentum continues, the Company would reap benefit from investment in China after one or two years. The Chairman highlighted that the China business would not reach profitability in 2021 or 2022, but the overall business would be manageable. The Company would continue investment in China, if needed, to reach profitability. Based on past investments, the Company is generally prudent in its spending.
	Questions raised by Shareholder 3 who attended physically
Question 7: Reply:	In relation to CAPEX, it was \$13 million in Year 2020 and has been rising since 2017. Going forward, will CAPEX taper off since most investment had already been done? The Chairman replied that the Company has not guided for a specific amount for CAPEX in 2021 as it is still awaiting the finalisation of the eMPF contract in Hong Kong. Management expects CAPEX for 2021 to be similar with CAPEX in the last one or two years. Better estimated amount of CAPEX would be available in the next one or two quarters.
Question 8: Reply:	In relation to the digital banking licence in Malaysia, is there be any timeline to be done and when will results be out? How much is the capital commitment? The Chairman replied that the Company is currently finalising details with potential partners to form a consortium for the digital banking licence application in Malaysia. Preference will be given to consortiums that are majority controlled by Malaysia shareholders. In view thereof, the Company expects that its equity interest would fall below 50%, but it would be taking the lead in the application and is likely to be the biggest shareholder if the application is successful. Deadline for the application is end of June 2021 and results of the application expected to be released in early 2022.

	<p>The Chairman shared that the digital banking licence in Malaysia has only 1 category which is the “retail licence”, where the capital requirement of RM100 million for the first 3 years is relatively small compared to digital banking licence application in Singapore. The said capital requirement is manageable for the Company.</p>
	<p>Questions raised by Shareholder 4 who attended physically</p>
<p>Question 9:</p>	<p>Shareholder 4 thanked Management for holding the AGM which allowed shareholders to meet face-to-face. In terms of business and operations, there were some new players in the industry, namely Tiger Brokers and MooMoo and other roboadvisors with shares given to entice account opening. How will it affect iFAST? How is the Company responding?</p>
<p>Reply:</p>	<p>The Chairman invited Mr Jean Paul Wong, Director of Corporate Communications and also General Manager of FSMOne Singapore to reply.</p> <p>Mr Jean Paul Wong noted the new competitors in the market and changes in the stockbroking landscape. He concurred that competitive pricing would impact the whole stockbroking industry. iFAST is a relatively new stockbroker that has started its stockbroking business four years ago and would continue to grow the stockbroking business in addition to its existing businesses. Instead of only focusing on lowering prices which affect financial institutions as a whole, iFAST looks at strengthening its services as a wealth management platform on an overall perspective such as providing good client services, investment ideas, and more tools to help investors.</p> <p>In terms of pricing, for SGX trading, the Company offers affordable pricing such as flat commission rate at \$8.80 for all investors for trading in ETF and stocks. Investors could link electronically their CDP account to FSMOne platform without physical paper for convenient trading and save on trading cost.</p> <p>In terms of the Group’s business and strategy, stockbroking business is relatively new especially for its B2C business. For B2B business, services have been added to partners. iFAST takes a long-term approach by working with various financial institutions by empowering with services and infrastructures through its fintech solutions. In the wealth management platform business, stockbroking forms a small part of the Company’s AUA.</p> <p>The Chairman added that iFAST has been in the business for 20 years with bulk of its business in unit trust. He shared that there used to have many competitors offered lower prices to attract account opening. This was similar to what the Company did when it first started the stockbroking business. Although pricing is one of consideration, the Company may not provide the lowest price in the market, but the Company is focused on providing the best overall value for services. He expects some area which the Company can be most competitive but not the lowest in all areas. On the overall basis, iFAST aims to offer the best value for money to its clients.</p>
<p>Question 10:</p>	<p>Page 143 of the Annual Report showed three associate companies. Can Management comment on the role of each associate company to the Group? What is the potential synergy and long-term plan? For example, iFAST has its own IGM which is a B2B business and Providend Holding Private Limited (“Providend”) also have B2B Financial Advisors.</p>
<p>Reply:</p>	<p>The Chairman shared on each associated company starting with (i) iFAST India Holding Pte Ltd which the Company has effective 39%</p>

	<p>shareholding. iFAST India is in the platform business and supports the Company's core business;</p> <p>(ii) Providend was one of the few companies in financial advisory industry that focused on fee based model that is a business model that the Company believed. Hence, the Company should provide support and be partner for long-term direction. The Company has its own in-house IGM (iFAST Global Markets) in similar business. Looking at the overall business, Providend and IGM are not in major conflict. In the B2B platform business, the Company has to work with various business and partners. As a platform, it has to work with various businesses and used to manage the potential conflict;</p> <p>(iii) Raffles Family Office China Ltd ("Raffles Family") was set up as a joint venture in China. Raffles Family have their own networks of strengths and market segment among the High Network Individuals in China. There is synergy to establish a joint-venture with Raffles Family in China.</p>
Questions raised by Shareholder 5 via video-conference	
Question 11:	What is the Company's long-term prospects (bright spots) or long-term plans?
Reply:	The Chairman informed that the Company has always been in the fintech wealth management platform with increasing AUA and room for growth in five markets. As a wealth management platform, the Group is relatively small with potential to achieve more by continuous improvement on the overall scale, range and depth of its services. He referred to the Fintech Vision 2028 in the Chairman Statement in the Annual Report. The target is to achieve \$100 billion in Group's AUA by 2028. He reiterated commitment to the goal guided by the mission statement "To help investors around the world invest globally and profitably."
Question 12:	Please provide details of joint-venture in Hong Kong.
Reply:	The Chairman replied that the Company does not have any joint venture in Hong Kong. If the question is referring to the upcoming eMPF project, the Company is not ready to provide details of e-MPF project. The Company would release announcement at a later appropriate time with information on the project.
Question 13:	Any plan to list in US?
Reply:	The Chairman replied that the Company currently do not have plan to list in US. If and when the Company has plan to list in other stock exchanges, the Company would make the appropriate announcement.
Questions raised by shareholder 6 who attended physically	
Question 14:	Shareholder 6 congratulated the Company for the stellar results. Singapore has witnessed operations leverage amidst achieving critical mass. When did iFAST Singapore achieved operations leverage and pick-up in profitability? In terms of business in Hong Kong, Malaysia, India and China, what is the target AUA and active trading investors using the platform in the next two to three years?
Reply:	The Chairman informed that even though the Company is seeing good improvement in terms of margin and scale for the Singapore business, it does not mean the growth is already at optimal level. iFAST Singapore took 5 years before obtaining profitability. Although other markets seems to be behind iFAST Singapore in terms of scale, their potential for improving margin is greater. In terms of potential in the wealth management platform, the Group's \$11 billion

	AUA in the wealth management industry is small in Singapore and even smaller in other countries. The Group has potential for future growth by improving on the overall range and depth of its services. There is no specific year to achieve it.
Question 15:	Do you foresee iFAST working with strategic partners in oversea market? Strategic partners like distributors, equity partners or joint venture.
Reply:	The Chairman shared that as iFAST is in the B2B business, the nature of its business would be to expand its ecosystem of partners. The Company is currently working with few hundred companies and the list would grow. These are mainly strategic but non-equity partners for overall services complimentary. Type of companies which the Company works with ranges from financial advisory firms, banks, insurance company, internet company, stockbroking firms or fund managers.
	Questions raised by various shareholders who submitted text questions
Question 16:	Hi this question is regarding the China business. How is the take up of the China fund of funds so far? Are there plans to launch more FOF in China in the future? What are the problems faced so far that has held back your expansion in China? E.g. distribution
Reply:	<p>The Chairman replied that iFAST China has recently launched the fund of funds product. He noted that for fund of funds and discretionary portfolio management services, it usually takes time for the business to ramp-up to a bigger level. The actual number of fund of funds contribution to iFAST China and the Group is still small in terms of the AUM. However, in the long-term, fund of funds will grow steadily and this is consistent with the rollout of discretionary portfolio management services in other markets.</p> <p>Expansion progress in China was relatively slow in the initial few years as the Company was new to China's wealth management market and some services were not fully in place which affected the pace in which the Company was able to ramp up its business. However, in the past one year, business in China have grown due to (i) improvement in services provided to the investors; and (ii) China government's move towards promoting mutual funds which is the core product of iFAST, and that has provided better momentum for the China business. Going forward, the Company hope that this momentum will continue.</p>
Question 17:	I understand that management is expecting 2021 to be a better year in terms of profit. What are your assumptions on growth in terms of region or product for the rest of the year? What is the base case in terms of trading volumes for stocks and ETFs on a qoq basis going forward -has this peaked in 1Q21?
Reply:	The Chairman replied that the quarterly changes in terms of trading volume is neither something that the Company can project accurately nor put too much weightage on. The more important number to look at would be the net inflow of client assets into the overall platform, which is a number that the Company has been reporting quarterly. The net inflow of client assets of \$1.28 billion in 1Q2021 is a record number which compares well with the net inflows recorded in 2020 and is higher than the net inflows for 2019 as a whole. This indicates the pace at which the Company is able to grow its overall AUA. As iFAST is a wealth management platform, stockbroking commissions typically accounts for a minority percentage of the Company's overall revenue. Hence, it is not meaningful to put too much weight on the forecast of quarter to quarter trading volume. It is also evident in the Company's quarterly results that with a certain AUA, there is certain net revenue that the Company can achieve. In 2020 and

	<p>1Q2021, the Company's net revenue as a ratio of average AUA was about 0.75%. With this data along with assumption made to the net inflow, an analyst should be able to project the Group's AUA going forward.</p>
<p>Question 18:</p> <p>Reply:</p>	<p>Having lost the bid for MAS license, can I fast still play a meaningful role in Sg digital banking environment?</p> <p>The Chairman replied that although the Company was not able to participate directly in the digital banking environment in Singapore which it sees as the foundation layer of the fintech sector, there are many other areas that the Company can progress further even before getting the digital banking licence. However, if opportunity arises for obtaining a digital banking licence in Singapore or elsewhere going forward, the Company would pursue it.</p>
<p>Question 19:</p> <p>Reply:</p>	<p>Hi, may I please find out the status of the Malaysian digital banking licences? How much money does iFAST intend to commit assuming it is successful in obtaining this licence?</p> <p>May we find out the timeline for the bidding of these licences? Thank you.</p> <p>The Chairman highlighted that this is similar to Question 8. He replied that the bid will close at the end of June 2021. iFAST will be leading a consortium to work on submitting the application to Bank Negara Malaysia. iFAST would take equity interest below 50%, but iFAST would be the leading the consortium. The minimum capital required is RM 100 million. The Company is comfortable with the capital requirement.</p>
<p>Question 20:</p> <p>Reply:</p>	<p>HK and Malaysia both took 5-7y roughly to breakeven, i.e. PBT margins to turn positive. With 110mn SGD in China AUA this quarter vs. 169mn in MY which is more advanced, will the breakeven in China could be even faster than in HK/Malaysia?</p> <p>The Chairman is of the view that for the China market, if there is a right strategy and execution plan with breakthrough in terms of strategy, the China business can turn profitable in shorter time than other markets. Although iFAST China is not at that scale now, the Company is encouraged by the improved momentum for the past one year plus. The Company intends to continue building on this momentum in the next one to two years.</p> <p>The Chairman corrected the total AUA in China was about S\$380 million and not S\$110 million.</p>
<p>Question 21:</p> <p>Reply:</p>	<p>Can funds for accredited investors be offered to retail investors? Can this be a source of growth of Aua?</p> <p>Given the growth, can u give a sense how you r scaling up your compliance and onboarding systems?</p> <p>For the first part of the question, the Chairman explained that funds for accredited investors cannot be offered directly to retail investors according to regulations. However, funds for accredited investors can possibly be offered in portfolios such as discretionary managed portfolios or fund of funds that can be purchased by retail investors as part of the regulatory framework. Even though the bulk of the growth of AUA for the Group is through retail funds, such funds can be a source of AUA growth.</p>

	<p>The Chairman invited the Lead Independent Director, Mr Matthias Yao to reply the second part of the question. Mr Matthias Yao agreed that regulatory compliances such as risk management, onboarding and Know-Your-Client, are important issues. The Company has increased manpower strength and improved computer systems for self-checking, building controls to flag issues automatically and thus reducing human error. Congruent with growth in business, the Company has to ensure compliance and onboarding would be strengthened.</p>
<p>Question 22:</p> <p>Reply:</p>	<p>Net revenues in Hong Kong and China was flattish or improved qoq, but profit from both these regions decreased. Can you share what were the reasons for this (staff costs/marketing costs, etc)?</p> <p>The Chairman replied that increase of net revenue on a Year on Year (“YOY”) basis was not ideal due to substantial reduction of interest rates resulting in decrease in net revenue growth in Hong Kong. As cost tends to fluctuate quarter on quarter, this cannot be read as a trend in the future.</p> <p>China has achieved good growth in both revenue and net revenue in the past one year, but cost has also increased. At this stage, it is important to build on the momentum to achieve potential in the future. While revenue grew strongly, losses from China business has also increased. He expects losses in China will be more than last year. The Company expects its China business to see improving trends in profitability in the next 1-2 years and beyond.</p>
<p>Question 23:</p> <p>Reply:</p>	<p>To add onto China market's losses widening - are we expecting this to double yoy?</p> <p>The Chairman replied that the losses will not be doubled even though losses may increase YOY.</p>
<p>Question 24:</p> <p>Reply:</p>	<p>For our target to achieve 100b AUA by 2028, can you share a bit more in terms of the different level of growth we expect in the various markets, what kind of market share do we see as a realistic target for IFAST?</p> <p>The Chairman replied that the Singapore operation currently has an AUA of approximately \$11 billion which is considered small relative to the overall wealth management industry and is considered to have a small market share. Subject to good execution, an AUA of \$20 to \$30 billion for the Singapore operation is achievable. If such AUA is achievable for Singapore, the Group comprising other markets like Malaysia, Hong Kong and China has the potential to achieve an AUA of \$100 billion by 2028, subject to business model with good execution and right level of execution. Considering that an investment platform like Charles Schwab in the USA has an AUA of US\$4 trillion with bulk of them in the USA, he is of the view that a \$100 billion AUA in Asia is not massive.</p>
<p>Question 25:</p> <p>Reply:</p>	<p>Given the current status of the company, where are the weakest links and how u plan to address them?</p> <p>The Chairman invited the Lead Independent Director, Mr Matthias Yao to reply. Mr Matthias Yao shared a sincere reply though it may not answer to the question directly. He highlighted that all companies have weak links. He shared that he was impressed by the Management team under the leadership of Mr Lim Chung Chun, where all issues brought up by the Committees, such as Audit Committee chaired by Mr Peter Ng and Board Risk Committee chaired by him, had been swiftly dealt and followed-up rigorously by Management. When expectations</p>

	<p>cannot be met, Management explained the reason. The Committees would also re-negotiate timelines for Management to meet and bigger budgets for Management to work with. Whenever weakness is encountered, Management responded well. Mr Matthias expressed he was happy to serve in the Board. He was also happy to report to shareholders that Management is always doing a good job.</p>
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