

CIRCULAR DATED 27 FEBRUARY 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, STOCKBROKER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Circular is issued by iFAST Corporation Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”). Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been made available on SGXNet (www.sgx.com). A printed copy of this Circular will NOT be despatched to Shareholders.

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the Extraordinary General Meeting in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the Extraordinary General Meeting.

Please refer to section 9 (*Action to be taken by Shareholders*) of this Circular for further information, including the steps to be taken by Shareholders to participate at the Extraordinary General Meeting.



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

CIRCULAR TO SHAREHOLDERS
in relation to:

**THE PROPOSED ACQUISITION OF AND INVESTMENT IN BFC BANK LIMITED THROUGH
SUBSCRIPTION OF SHARES AMOUNTING TO 85.0% SHAREHOLDING IN
EAGLES PEAK HOLDINGS LIMITED FOR £40,000,000**

Important Dates and Times

Last date and time for lodgement of Proxy Form : 11 March 2022 at 10.00 a.m.
Date and time of Extraordinary General Meeting : 14 March 2022 at 10.00 a.m.
Place of Extraordinary General Meeting : The Extraordinary General Meeting will be held by electronic means

TABLE OF CONTENTS

DEFINITIONS	1
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	6
LETTER TO SHAREHOLDERS.....	7
1. INTRODUCTION	7
2. THE PROPOSED ACQUISITION OF AND INVESTMENT IN BFC BANK THROUGH SUBSCRIPTION OF SHARES AMOUNTING TO 85.0% SHAREHOLDING IN EPHL FOR £40,000,000	7
3. RULE 1006 FIGURES FOR THE PROPOSED INVESTMENT	17
4. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED INVESTMENT.....	18
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	20
6. DIRECTORS' SERVICE CONTRACTS	21
7. DIRECTORS' RECOMMENDATION	21
8. EXTRAORDINARY GENERAL MEETING	22
9. ACTION TO BE TAKEN BY SHAREHOLDERS	22
10.DIRECTORS' RESPONSIBILITY STATEMENT	26
11.CONSENTS.....	26
12.DOCUMENTS FOR INSPECTION.....	26
APPENDIX – SUMMARY VALUATION LETTER.....	A-1
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1

DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

- “Acquisition Amount”** : An estimated amount of £22,620,002 (equivalent to approximately S\$41,499,000) of the Total Investment Amount, which is to fund the acquisition of BFC Bank (subject to adjustments as provided for under the sale and purchase agreement for the Proposed Acquisition entered into between BFC Group and EPHL)
- “associate”** : (a) In relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more.
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “BFC”** : BFC Group Holdings Limited
- “BFC Bank”** : BFC Bank Limited, which will be renamed after the completion of the Proposed Acquisition
- “BFC Group”** : BFC Group Holdings WLL
- “CDP”** : The Central Depository (Pte) Limited
- “Chairman of the Meeting”** : The appointed chairman of the EGM
- “Circular”** : This circular to Shareholders dated 27 February 2022
- “Companies Act”** : The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
- “Company”** : iFAST Corporation Ltd. (Company Registration No. 200007899C) having its registered office at 10 Collyer Quay, #26-01 Ocean Financial Centre, Singapore 049315
- “Completion Date”** : The completion date of the Proposed Investment, as further described in section 2.7(a) (*Investment Agreement*) of this Circular
- “Constitution”** : The constitution of the Company, as amended, modified or supplemented from time to time
- “Controlling Shareholder”** : A person who:

DEFINITIONS

	(a) holds directly or indirectly 15.0% or more of the total number of Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this section is not a Controlling Shareholder; or
	(b) in fact exercises control over the Company
“CPF”	: Central Provident Fund of Singapore
“CPF Agent Banks”	: Banks approved by CPF to be their agent banks
“CPF Investors”	: Investors who hold shares under the Central Provident Fund Investment Scheme
“Directors”	: The directors of the Company as at the Latest Practicable Date, and each a “Director”
“EGM” or “Extraordinary General Meeting”	: The extraordinary general meeting of the Company to be held via electronic means on 14 March 2022 at 10.00 a.m., notice of which is set out in pages N-1 to N-3 of this Circular
“EPHL”	: Eagles Peak Holdings Limited, the company issuing the Subscription Shares to the Company for the Proposed Subscription and the buyer under the Proposed Acquisition
“EPS”	: Earnings per Share
“FCA”	: Financial Conduct Authority, a financial regulatory body in the United Kingdom responsible for the regulation of conduct by both retail and wholesale financial services firms
“FSMA”	: Financial Services and Markets Act 2000 of the United Kingdom, as amended, modified or supplemented from time to time
“Group”	: The Company and its subsidiaries
“iFAST Directors”	: Mr. Goh Chuan Yong and Mr. Vincent Tong, who have been appointed to the board of EPHL by the Company as part of the Proposed Investment, pursuant to the terms and conditions of the Subscription Agreement
“iFAST GM Approval”	: The Shareholders’ approval at a general meeting of the Company, unless exempted by the SGX-ST
“Injection Amount”	: £15,000,000 (equivalent to approximately S\$27,519,000) of the Total Investment Amount which is to fund a capital injection into BFC Bank
“Investee”	: 85.0% of Eagles Peak Holdings Limited after the completion of the Proposed Acquisition of BFC Bank
“Investment Agreement”	: The agreement entered into among the Company, EPHL, BFC Group and Mr. Ahluwalia dated 6 January 2022 in relation to the Proposed Investment
“Investment Condition”	: The conditions to the completion of the Investment Agreement as set out in section 2.7(a) (<i>Investment Agreement</i>) of this Circular

DEFINITIONS

“Latest Practicable Date”	:	23 February 2022, being the latest practicable date prior to the finalisation and release of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“MMSS”	:	MMSS Investments Ltd, being the sole shareholder of EPHL as at the Latest Practicable Date, and is 100.0% owned by MA Holdings Limited, which is in turn 100.0% owned by Mr. Ahluwalia
“Mr. Ahluwalia”	:	Mandeep Ahluwalia, a director of EPHL. As at the Latest Practicable Date, MMSS is 100.0% owned by MA Holdings Limited, which is in turn 100.0% owned by Mr. Ahluwalia
“NAV”	:	Net asset value
“Notice of EGM”	:	The notice of the EGM which is set out in pages N-1 to N-3 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolution proposed to approve the Proposed Investment
“Placement”	:	The placement of 14,000,000 new Shares by the Company which was announced on 11 January 2022 and completed on 17 January 2022
“PRA”	:	Prudential Regulatory Authority, a financial services regulatory body in the United Kingdom responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms
“PRA Approval Notice”	:	A notice of approval in writing granted by PRA as further described in section 2.7(a)(i) of this Circular
“Proposed Acquisition”	:	The proposed acquisition of 100.0% of the shares in BFC Bank by EPHL from BFC Group for the Acquisition Amount (being an estimated amount of £22,620,002 (equivalent to approximately S\$41,499,000) of the Total Investment Amount, which is to fund the acquisition of BFC Bank (subject to adjustments as provided for under the sale and purchase agreement for the Proposed Acquisition entered into between BFC Group and EPHL))
“Proposed Investment”	:	The Proposed Acquisition and the Proposed Subscription
“Proposed Subscription”	:	The proposed subscription of the Subscription Shares by the Company for the Total Investment Amount (being £40,000,000 (equivalent to approximately S\$73,384,000))
“Proxy Form”	:	The proxy form in respect of the EGM
“Register of Members”	:	The register of members of the Company
“Regulatory Condition”	Extension :	An extension in writing granted by PRA as further described in section 2.7(a)(ii) of this Circular

DEFINITIONS

“ Securities Account ”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
“ Securities and Futures Act ”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“ SGX-ST ”	:	The Singapore Exchange Securities Trading Limited
“ SGXNet ”	:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
“ Share Registrar ”	:	The share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.)
“ Shareholders ”	:	Registered holders of ordinary shares in the capital of the Company, except where the registered holder is CDP, in which case the term “ Shareholders ” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“ Shareholders’ Agreement ”	:	The shareholders’ agreement dated 6 January 2022 for EPHL to govern the shareholders’ arrangements within EPHL
“ Shares ”	:	Ordinary share(s) in the share capital of the Company
“ SRS Investors ”	:	Investors who hold shares under the Supplementary Retirement Scheme
“ SRS Operators ”	:	Agent banks approved by CPF under the Supplementary Retirement Scheme
“ Subscription Agreement ”	:	The share subscription agreement entered into between the Company and EPHL dated 6 January 2022 in relation to the Proposed Subscription
“ Subscription Shares ”	:	1,700,000 new ordinary shares in the capital of EPHL
“ Substantial Shareholder ”	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the Securities and Futures Act, being a person who: (a) has an interest or interests in one (1) or more voting Shares in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
“ Summary Valuation Letter ”	:	A summary of the Valuation Report set out in the <u>Appendix</u> (<i>Summary Valuation Letter</i>) to this Circular
“ Total Investment Amount ”	:	£40,000,000 (equivalent to approximately S\$73,384,000)
“ Transaction Agreements ”	:	The Investment Agreement, the Subscription Agreement and the Shareholders’ Agreement

DEFINITIONS

“Valuation”	:	The assessment and determination of the market value of 100.0% equity interests in the capital of BFC Bank as at 31 August 2021 for the purposes of the Proposed Investment
“Valuation Report”	:	Valuation report dated 16 February 2022 issued by EY Corporate Advisors Pte Ltd in relation to the valuation on BFC Bank, a summary of which is set out in the Appendix (<i>Summary Valuation Letter</i>) to this Circular
“Valuer”	:	EY Corporate Advisors Pte Ltd, the independent valuer commissioned by the Company to issue the Valuation Report
<i>Currencies, Units and Others</i>		
“%”	:	Per centum or percentage
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“£”	:	British Pound Sterling, the lawful currency of the United Kingdom

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act and the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include firms, corporations and other entities. Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Listing Manual as for the time being, unless otherwise stated.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Unless otherwise stated, the conversion of £ to S\$ in this Circular is based on the exchange rate of £1.00 to S\$1.8346 on 5 January 2022, being the last full market day prior to the execution of the Transaction Agreements.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. Further, the Company disclaims any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

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

Directors:

Mr. Lim Chung Chun (Chairman and Chief Executive Officer)
Mr. Yao Chih Matthias (Lead Independent Director)
Mr. Kok Chee Wai (Independent Director)
Mr. Ng Loh Ken Peter (Independent Director)
Mr. Mark Rudolph Duncan (Independent Director)
Mr. Toh Teng Peow David (Independent Director)
Ms. Janice Wu Sung Sung (Non-Independent Non-Executive Director)
Mr. Lim Wee Kian (Non-Independent Non-Executive Director)
Mr. Wong Tin Niam Jean Paul (Executive Director)

Registered Office:

10 Collyer Quay,
#26-01 Ocean Financial
Centre, Singapore 049315

27 February 2022

To: **Shareholders of iFAST Corporation Ltd.**

Dear Sir / Madam,

**THE PROPOSED ACQUISITION OF AND INVESTMENT IN BFC BANK LIMITED THROUGH
SUBSCRIPTION OF SHARES AMOUNTING TO 85.0% SHAREHOLDING IN EAGLES PEAK
HOLDINGS LIMITED FOR £40,000,000**

1. INTRODUCTION

1.1. Purpose of Circular

The Directors are convening an EGM by way of electronic means on 14 March 2022 at 10.00 a.m. to seek Shareholders' approval for the Proposed Investment.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with relevant information relating to the Proposed Investment, the resolution in respect thereof to be tabled at the EGM, and to seek Shareholders' approval for such resolution. The Notice of EGM is set out at pages N-1 to N-3 of this Circular.

1.2. Disclaimers

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. If a Shareholder is in any doubt as to the course of action he/she/it should take, he/she/it should consult his/her/its bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

**2. THE PROPOSED ACQUISITION OF AND INVESTMENT IN BFC BANK THROUGH
SUBSCRIPTION OF SHARES AMOUNTING TO 85.0% SHAREHOLDING IN EPHL FOR
£40,000,000**

2.1. Background

As announced on 7 January 2022, the Company had entered into the following agreements:

- (a) the Investment Agreement with EPHL, BFC Group and Mr. Ahluwalia, pursuant to which it is agreed that, EPHL (as the buyer of 100.0% of the shares in BFC Bank under the Proposed

LETTER TO SHAREHOLDERS

Acquisition) will utilise part of the Total Investment Amount of £40,000,000 (equivalent to approximately S\$73,384,000) from the Proposed Subscription to fund the Proposed Acquisition of BFC Bank;

- (b) the Subscription Agreement with EPHL, pursuant to which the Company will subscribe for 1,700,000 new ordinary shares in EPHL, constituting 85.0% shareholding in the enlarged total share capital of EPHL (with the balance 15.0% held by MMSS¹) for the Total Investment Amount of £40,000,000 (equivalent to approximately S\$73,384,000) to be paid in cash to EPHL; and
- (c) the Shareholders' Agreement for EPHL to govern the shareholders' arrangements within EPHL.

Pursuant to the Proposed Subscription, the Total Investment Amount invested by the Company will be utilised by EPHL in the following manner:

- (a) the Acquisition Amount of £22,620,002 (equivalent to approximately S\$41,499,000) to fund the Proposed Acquisition of BFC Bank;
- (b) the Injection Amount of £15,000,000 (equivalent to approximately S\$27,519,000) to fund a capital injection into BFC Bank, being an amount required by BFC Bank to strengthen the capital base of BFC Bank to ensure compliance with capital adequacy requirements and for general working capital purposes; and
- (c) the remaining amount of £2,400,000 (equivalent to approximately S\$4,403,000) from the Total Investment Amount which has been agreed by the Company to be used by EPHL to offset transaction costs incurred by EPHL for the financial, legal due diligence and regulatory advice in relation to BFC Bank.

2.2. Rationale

The Group had been looking to further strengthen its current wealth management ecosystem, and had been considering various options to facilitate this. One of the ways which the Company considered is to add banking capabilities. The Group has applied for digital banking licenses in various jurisdictions (such applications being unrelated to the Proposed Acquisition) and it had recently started looking at acquisitions, with a focus on European countries.

The Group was then introduced to the Proposed Investment by a global mergers & acquisitions and corporate practice with a focus on financial institutions. For the avoidance of doubt, no fees were paid and/or are payable for the introduction. Initial discussions led the Group to decide that BFC Bank is within the Group's risk appetite.

After meeting the existing members of BFC Bank and having conducted in-depth discussions with the proposed management team through EPHL, the Group believes that the proposed management team has the capabilities to turn around BFC Bank and work with the Group to incorporate BFC Bank into the iFAST Fintech ecosystem (through the acquisition of 100.0% of the shares in BFC Bank by EPHL and the Company's subscription to 85.0% of the total shareholding of EPHL). Due to disruptions by Covid-19, BFC Bank has been unprofitable and therefore new strategies would need to be implemented to achieve profitability for BFC Bank.

Although the Company has the experience in operating digital investment platform, it does not have direct experience in banking businesses yet, and regulators typically require the management team

¹ Please refer to section 2.9 (*Shareholding structure in EPHL (as the holding Company of 100.0% of the shares in BFC Bank)*) of this Circular for further information in relation to the shareholding structure of EPHL after the Proposed Investment

LETTER TO SHAREHOLDERS

to comprise of experienced bankers. In its digital banking licence applications, the Company has always put together a proposed management team that comprises not only of the Company's expertise in Fintech and digital investment platforms, but also bankers who have years of relevant banking experience. The proposed management team of BFC Bank will comprise both existing and new management personnel. This team will be led by Mr. Ahluwalia as the Chief Executive Officer of BFC Bank going forward. The team has also been reviewed and approved by the PRA.

While the Group has made substantial progress as a wealth management platform without some of the key advantages that banks have, the Group believes that a lot more can be achieved if there is a bank within the Group. For example, a bank would have the ability to take deposits, make loans and have direct access to the payment systems, infrastructure, and interbank markets. These are certain platforms which the Group is currently unable to provide or have access to.

As the Group sees banks operating at the "foundation layer"² of the financial industry, having direct access to the "foundation layer" will allow the Group to innovate and progress at a faster pace, especially in today's increasingly globalised and digitally connected world. With a bank within the Group, the Company will be able to better serve the customers and business partners in its ecosystem by providing additional banking products and services in a trusted and reputable international financial centre. While the Company has started its business and grew without this "foundation layer", it is the Company's strong belief that having this "foundation layer" will be greatly beneficial to our overall wealth management Fintech business. It is the intention for this "foundation layer" (account opening, deposits and payments) to be progressively made available to the customers and business partners in the Group's ecosystem.

Further, adding a bank to the iFAST Fintech ecosystem will have the effect of allowing the Group to acquire more customers globally at a faster pace, tapping into the growing demands of customers around the world for good wealth management and digital banking platforms. Although BFC Bank's customers will remain within the ecosystem of BFC Bank, having a banking business within the Group's ecosystem will improve the overall value proposition (online bank account opening, multicurrency deposits, payments, etc.) that can be provided as a Group. This will help attract more cash and deposits from the existing customers into the Group's ecosystem. This will also help attract new customers and their monies into the Group's ecosystem. The Company expects that some of these new customers and deposits attracted into the Group's ecosystem will spill over to investments as well, such as through the existing investment platforms which the Group currently already has in various markets.

Moreover, the Group is experienced in operating digital platforms and the Group believes that digital banks can be run as a capital-efficient, asset-light and scalable business model, unlike many traditional banks. Notwithstanding, as with any regulated bank, there are specific banking capital requirements (i.e. capital adequacy ratio) as mandated by application regulations which BFC Bank is subject to.

In the near term, BFC Bank will be focusing on its current two (2) lines of business (remittance and wholesale banking) and adding transactional banking capabilities. There are no plans to engage in unsecured lending activities in the near term. Accordingly, there is no need for substantial capital. As the intention is for BFC Bank to adopt digital banking processes, this will result in the ability to transcend geographical borders (and not be constrained by physical branches), resulting in the banking business becoming scalable.

Therefore, the Group believes that the Proposed Investment constitutes a strategic investment into a banking business in a global financial centre, which will be able to enhance and complement the

² The "foundation layer" refers to the bank accounts, deposits and the payment systems and infrastructure. This is considered as the "foundation" because everyone would first need a bank account and start with deposits. During the process of investing, monies will have to be moved around through payment systems, both domestically and cross-border.

LETTER TO SHAREHOLDERS

Group's global financial services capabilities. This will enable the Group to escalate the growth of its core wealth management business in the mid to long term.

2.3. Information on EPHL, BFC Group and BFC Bank

(a) EPHL

EPHL was incorporated in November 2020 with a share capital of £1,000. EPHL was incorporated for the purposes of acquiring BFC Bank and does not have any business operations, assets or liabilities, save for immaterial corporate overheads.

As at the Latest Practicable Date, the sole shareholder of EPHL is MMSS with 300,000 shares and its directors are Mr. Ahluwalia, Mr. Vimal Navin Shah, Mr. Goh Chuan Yong and Mr. Vincent Tong (with Mr. Goh Chuan Yong and Mr. Vincent Tong being appointed as iFAST Directors by the Company to the board of EPHL as part of the Proposed Investment, pursuant to the terms and conditions of the Subscription Agreement). MMSS and its sole shareholder, MA Holdings Limited, are incorporated in Guernsey on 13 May 2021. MMSS and MA Holdings Limited are investment holding companies of Mr. Ahluwalia and are not involved in any other businesses apart from holding Mr. Ahluwalia's investments (which includes EPHL).

Mr. Ahluwalia is the co-founder and managing partner of Syndeo Capital Ltd and Shivam Advisors Ltd since 2016 and 2015, respectively. Mr. Ahluwalia had identified a specific need for independent advice regarding the UK Banking sector, specifically with respect to smaller banks, subsidiaries of foreign banks and new Fintech businesses. It was on this basis that Mr. Ahluwalia set-up Syndeo Capital Ltd and Shivam Advisors Ltd, which are focused largely on the financial services sectors in the United Kingdom. Syndeo Capital Ltd is an appointed representative of Global Preservation Strategies Ltd, which is authorised and regulated by the FCA. In addition, Syndeo Capital Ltd and Shivam Advisors Ltd have performed work for a variety of clients including National Australia Bank, Westpac Banking Corporation, United Bank Limited, Diamond Bank plc and Berkshire Hathaway Home Services Kay & Co.

Prior to Syndeo Capital Ltd and Shivam Advisors Ltd, Mr. Ahluwalia had over 25 years of financial services experience across Europe, North America and Asia focused on advising financial institutional clients on their issues and strategies. Specifically, he was the Managing Director & Global Head of Banks at Lloyds Banking Group from 2010 to 2014, where he was globally responsible for the bank's business with other banks and managed a team of over 30 professionals based across Asia, the United Kingdom and the United States of America. He was also a member of the Financial Institutions Leadership Committee, a voting member of the Credit Committee of Lloyd's Banking Group and a European Council Member of Bankers Association for Finance and Trade. He was also involved with a number of strategic initiatives for Lloyd's Banking Group and identified as part of the talent pool for future leadership positions. From 2009 and 2010, he was the Managing Director (Global Financial Institutions) with Standard Bank and was globally responsible for setting up and building Standard Bank's Financial Institutions Business with priority banking relationships across the developed markets and a primary focus on large banks in Asia, the United Kingdom and the United States of America. From 1994 to 2008, he held various positions in ABN AMRO, with his last position as an Executive Director (Financial Institutions Group, Strategy & Acquisitions Group) where, amongst others, he set up the bank's Global Securities Services Joint Venture with Mellon Bank. In 1993, he started his career in Royal Bank of Canada as an Account Manager (Business Banking Group). Mr. Ahluwalia was educated at the Ecole Nationale des Ponts et Chaussees in Paris and the Shri Ram College of Commerce in Delhi and has completed executive education courses from London Business School in London.

LETTER TO SHAREHOLDERS

Mr. Ahluwalia has also invested via the Indian Angel Network as well as outside the network in a number of start-ups and Fintech companies where he mentors entrepreneurs and advises on growth strategies. Mr. Ahluwalia is regulated by the FCA and has been approved to become the Chief Executive Officer of BFC Bank, after the completion of the Proposed Acquisition.

Mr. Vimal Navin Shah has more than 25 years of experienced as a qualified Chartered Accountant. He is also a registered auditor with the Institute of Chartered Accountants in England and Wales. He joined PSJ Alexander & Co in 1996 and has been a partner since 1998, advising international high net worth families and their companies on audit processes, controls, tax mitigation, family asset structuring and asset protection. He is also the auditor to international groups and small and medium enterprises and he is the partner responsible for audit compliance at the firm, including monitoring and training of staff and trainees. He joined Arthur Anderson as a trainee chartered accountant in 1992 and left in 1996 as a senior chartered accountant. He graduated from University of Cambridge in 1992 with honours in bachelor of arts (law). He has been a member of the Institute of Chartered Accountants in England and Wales (FCA) since 1995.

Prior to the Proposed Acquisition, EPHL, its directors and shareholder are independent of the BFC Group and BFC Bank.

(b) BFC Group

BFC started operations in the Kingdom of Bahrain in 1917, trading in gold bullion and continued with their services when in the 1970s they entered the remittance market allowing the fast-growing expatriate community to send their money home. They are licensed by the Central Bank of Bahrain as a Money Changer and specialise in global money transfers, foreign exchange and wholesale currency services. In 2008, BFC Group became a 99.0% subsidiary of BFC, with the remaining 1.0% held by Bank Alkhair.

Bank Alkhair, the Islamic Financial Services Group, bought a controlling stake in BFC of 43.0%, the ultimate parent holding company of the group in Kingdom of Bahrain, thereby controlling BFC Group, Bahrain Exchange Company in Kuwait and BFC Bank (formerly known as BFC Exchange Limited and EzRemit Limited) in the United Kingdom.

Bank Alkhair is a private and unlisted company incorporated in the Kingdom of Bahrain and has 171 shareholders based on the annual report for the financial year ended 31 December 2020.

(c) BFC Bank

BFC Bank is 100.0% owned by BFC Group and was incorporated in the United Kingdom in June 2003 as BFC Exchange Limited and in September 2016, it received authorisation by the PRA and FCA. BFC Bank became fully operational as a bank in October 2017 as an unrestricted deposit-taking institution operating under the Financial Services Compensation Scheme.

BFC Bank currently has two (2) main lines of business. The first line is a consumer business which provides payment and remittance services under the brand of EzRemit; enabling cross-border diaspora payments from United Kingdom and Gulf Cooperation Council countries to Asia. The second is a wholesale currency service which provides physical banknotes to other banks and non-banks financial institutions. BFC Bank has a clientele of few hundred clients with deposits of approximately £43 million. BFC Bank has also about 800,000 clients who use its remittance services once every three (3) months on average.

LETTER TO SHAREHOLDERS

Based on the unaudited financial results of BFC Bank for the financial year ended 31 December 2021 and the audited financial results of BFC Bank for the financial year ended 31 December 2020, BFC Bank recorded a net loss of approximately £2,772,000 (equivalent to approximately S\$5,086,000) and approximately £3,983,000 (equivalent to approximately S\$7,307,000), respectively.

Based on the unaudited financial results of BFC Bank for financial year ended 31 December 2021 and the audited financial results of BFC Bank for the financial year ended 31 December 2020, BFC Bank has an NAV of approximately £17,262,000 (equivalent to approximately S\$31,669,000) and approximately £20,034,000 (equivalent to approximately S\$36,754,000) as at 31 December 2021 and 31 December 2020 respectively, and an NTA of approximately £13,343,000 (equivalent to approximately S\$24,479,000) and approximately £15,480,000 (equivalent to approximately S\$28,400,000) as at 31 December 2021 and 31 December 2020 respectively.

With reference to the above paragraphs, based on 85.0% shareholding of BFC Bank, the NAV amounted to approximately £14,673,000 (equivalent to approximately S\$26,919,000) and approximately £17,029,000 (equivalent to approximately S\$31,241,000) as at 31 December 2021 and 31 December 2020 respectively, and the NTA amounted to approximately £11,342,000 (equivalent to approximately S\$20,807,000) and approximately £13,158,000 (equivalent to approximately S\$24,140,000) as at 31 December 2021 and 31 December 2020 respectively. The net losses attributable to the 85.0% shareholding of BFC Bank for the financial year ended 31 December 2021 and 31 December 2020 amounted to £2,356,000 (equivalent to approximately S\$4,323,000) and to £3,386,000 (equivalent to approximately S\$6,211,000) respectively.

In relation to the Proposed Acquisition and taking into consideration the above information on BFC Bank, the Company is of the opinion of the following key advantages:

- (i) BFC Bank is a fully licensed bank that can take retail customers and retail deposits. This is in line with the Group's business model where it serves all segments of customers, in particular retail ones. This is important for the Group as it will enhance the overall platform capabilities. In this case, such capabilities are those in online bank account opening, deposit taking and payments;
- (ii) BFC Bank is based in London and regulated by the PRA and FCA. London is known to be one of the top global financial centres. It is one where customers in a number of Asian markets know, trust and are keen to place some of their deposits in. This includes existing customers in the Group's ecosystem, whom the Company is aware of the interest either directly or through various financial advisory companies and wealth advisers who use the Group's platforms; and
- (iii) BFC Bank has the necessary access to payment systems and infrastructure. Other than SWIFT, it is a direct member of Faster Payments. As at the Latest Practicable Date, the Company understands that there are only 37 members in Faster Payments. BFC Bank is also on track to become a direct member of Clearing House Automated Payment System ("CHAPS"), which also only has 36 members as at the Latest Practicable Date. It is worth noting that banks and financial institutions who are not members of Faster Payments or CHAPS will have to process payments through one which is a member. Accordingly, BFC Bank is one of the banks in UK with direct access to these payment systems and infrastructure that the Group wishes to have access to. Having such direct access will allow BFC Bank and the Group to be able to exercise control over the structure of payment product and processes and therefore be better placed to innovate and compete in the mid to long term.

LETTER TO SHAREHOLDERS

2.4. Prior relationships with EPHL, BFC Group and BFC Bank

As at the Latest Practicable Date, to the best of the Directors' knowledge, prior to the Proposed Investment (including the appointment of the iFAST Directors), none of the Directors, chief executive officer, the controlling shareholders of the Company and their respective associates have had any previous business, commercial, trade dealings or any other connection with any of EPHL, BFC Group, BFC Bank and their respective directors and shareholders.

As at the Latest Practicable Date, to the best of the Company's knowledge, prior to the Proposed Investment (including the appointment of the iFAST Directors), EPHL, BFC Group, BFC Bank and their respective directors and shareholders are independent of the Group.

2.5. Independent valuation of BFC Bank

The Company has appointed the Valuer, EY Corporate Advisors Pte Ltd, as an independent valuer to assess and determine the market value of 100.0% equity interests in the capital of BFC Bank as at 31 August 2021 for the purposes of the Proposed Investment (the "**Valuation**"). A Valuation Report has been issued by the Valuer in respect of the independent valuation, and the Summary Valuation Letter is set out in the **Appendix** (*Summary Valuation Letter*) to this Circular.

Based on the Valuation Report, the market value of 100.0% equity interests in the capital of BFC Bank as at 31 August 2021 is between £25,500,000 to £36,200,000 (approximately S\$46,782,000 to S\$66,413,000). The Valuation is based primarily on the income approach coupled with the residual income method, guideline public companies and transactions method to cross check the value arrived at under the primary approach.

Shareholders are advised to read and consider the Summary Valuation Letter issued by the Valuer in respect of the independent valuation on BFC Bank carefully, in particular the terms of reference, key assumptions and critical factors. The Summary Valuation Letter is set out in the **Appendix (*Summary Valuation Letter*) to this Circular.**

2.6. Total Investment Amount

- (a) The Total Investment Amount of £40,000,000 (equivalent to approximately S\$73,384,000) was arrived at after arm's length negotiations, on a willing-buyer, willing-seller basis and taking into account:
- (i) EPHL was incorporated for the purposes of acquiring BFC Bank and does not have any assets or liabilities, save for immaterial corporate overheads;
 - (ii) the Acquisition Amount of an estimated £22,620,002 (equivalent to approximately S\$41,499,000) to be paid by EPHL to BFC Group, which was arrived at after taking into consideration the recent transactions of banks in United Kingdom and the prevailing market conditions and which is in line with the market value of BFC Bank based on the Valuation Report as issued by the Valuer;
 - (iii) the Injection Amount of £15,000,000 (equivalent to approximately S\$27,519,000) to be injected by EPHL into BFC Bank, being an amount required by BFC Bank to strengthen the capital base of BFC Bank to ensure compliance with capital adequacy requirements and for general working capital purposes; and
 - (iv) the remaining amount of £2,400,000 (equivalent to approximately S\$4,403,000) from the Total Investment Amount which has been agreed by the Company to be used by EPHL to offset transaction costs incurred by EPHL for the financial, legal due diligence and regulatory advice in relation to BFC Bank.

LETTER TO SHAREHOLDERS

- (b) Assuming that the Proposed Investment was acquired on 31 December 2021, with reference to the unaudited financial results of the Investee for the financial year ended 31 December 2021, the NTA and NAV of Investee being acquired amounted to approximately £22,732,000 (equivalent to approximately S\$41,703,000) and approximately £30,600,000 (equivalent to approximately S\$56,139,000) respectively. The net losses attributable to the Investee being acquired amounted to approximately £2,356,000 (equivalent to approximately S\$4,323,000) for the financial year ended 31 December 2021.

With reference to the above paragraph, based on the Total Investment Amount of £40,000,000 (equivalent to approximately S\$73,384,000), the Company expects to recognise goodwill of £9,400,000 (equivalent to approximately S\$17,245,000) upon consolidation of the Investee assuming the Proposed Investment had been carried out on 31 December 2021. Shareholders are to note that the values for the NTA, NAV and net losses attributable to the Investee as set out above remain subject to further changes upon the completion of the Proposed Investment.

The NTA, NAV and net losses attributable to the Investee above are computed on an estimated basis, by taking into consideration: (i) liability amounts in relation to incentive remuneration to key management to be paid over the next two (2) years; (ii) the Injection Amount; and (iii) amounts in relation to intangibles and goodwill on consolidation of BFC Bank.

For the avoidance of doubt, the figures with reference to the Investee in this section 2.6(b) are attributable to 85.0% of EPHL after the completion of the Proposed Acquisition of BFC Bank.

2.7. Other principal terms of the Transaction Agreements

- (a) Investment Agreement

Conditions

Completion of the arrangements shall be conditional on the following Investment Conditions:

- (i) (1) the PRA giving notice in writing in accordance with section 189(4) or section 189(7) (if applicable) of FSMA (the “**PRA Approval Notice**”) granting approval of the PRA (having received representations (if any) from the FCA) to the Company and any other person by virtue of the Proposed Subscription (each an additional notice giver) acquiring control (within the meaning of section 181 of FSMA, as varied by the Financial Services and Markets Act (Controllers) (Exemption) Order 2009) of EPHL and BFC Bank pursuant to the Investment Agreement; or (2) in the absence of such PRA Approval Notice, the PRA (having received representations (if any) from the FCA) being treated pursuant to section 189(6) of FSMA as having approved the acquisition of control over EPHL and BFC Bank by the Company and any additional notice giver, and, in either case, the applicable period under section 191 of FSMA not having expired and the relevant approval not having been revoked and being in full force and effect at Subscription Completion;
- (ii) the PRA granting an extension³ in writing in respect of the three (3) month expiry period referred to in the notice of approval (change in control) dated 14 October 2021 from the PRA in favour of EPHL, MMSS, MA Holdings Limited and Mr.

³ The extension required is in relation to the earlier deadline given by PRA for the completion of the acquisition of BFC Bank by 13 January 2022. Therefore, a further three (3) months extension is necessary for the Proposed Acquisition to take place.

LETTER TO SHAREHOLDERS

Ahluwalia to a date falling not less than one (1) business day immediately following the Completion Date (the “**Regulatory Extension Condition**”); and

- (iii) the iFAST GM Approval.

As at the Latest Practicable Date, Investment Condition (ii) (the Regulatory Extension Condition) has been satisfied and Investment Condition (i) is being reviewed by PRA. Investment Condition (iii) relates to the Shareholders’ approval as described in this Circular to be obtained at the EGM.

Longstop Date

The date falling 12 weeks immediately following the date of the Investment Agreement, being 31 March 2022.

Completion Date

The Completion Date shall be 12.00 noon (London time) on the 10th business day immediately following the satisfaction of the last of the Investment Conditions (or such other date as the parties to the Investment Agreement may agree in writing or by email).

- (b) Subscription Agreement and Shareholders’ Agreement

Conditions

The subscription of the Subscription Shares is conditional upon the following:

- (i) such waivers and consents as may be required to enable EPHL to allot and issue the Subscription Shares and the Company to be registered as holder of the Subscription Shares;
- (ii) corporate approvals from both the Company and EPHL being obtained;
- (iii) such consents or approvals as may be required of any third party or governmental, regulatory body or competent authority having jurisdiction over any transaction contemplated under the Subscription Agreement (including, without limitation to the PRA and the FCA);
- (iv) the iFAST GM Approval, unless exempted by the SGX-ST; and
- (v) the Regulatory Extension Condition.

As at the Latest Practicable Date, in relation to the above conditions, condition (v) (the Regulatory Extension Condition) has been satisfied and condition (iii) is pending PRA review. Condition (iv) relates to the Shareholders’ approval as described in this Circular to be obtained at the EGM and conditions (i) and (ii) will be satisfied by the Completion Date.

Longstop Date

The date falling three (3) months from the date of the Subscription Agreement or such later date as the parties to the Subscription Agreement may mutually agree in writing, being 6 April 2022.

LETTER TO SHAREHOLDERS

Completion

Provided that (1) the Subscription Agreement has not been rescinded or terminated in accordance with the terms of the Subscription Agreement; and (2) the conditions to the Subscription Agreement have been satisfied, completion of the Proposed Subscription shall take place on a date to be mutually agreed between the parties to the Subscription Agreement, where such completion date shall fall between (A) 10 business days prior to; or (B) on the Completion Date.

Right of First Refusal

EPHL shall (and each of its shareholders shall procure that EPHL shall) give the Company the right of first refusal in respect of any business proposed to be carried on by EPHL jointly with another person carrying on the business of banking and financial services (including without limitation to banking, financial advisory, dealing with securities, asset management and information technology services).

EPHL was incorporated for the purposes of acquiring BFC Bank and as at the Latest Practicable Date, does not have any business operations.

2.8. Source of funds

The Company plans to finance the Proposed Investment with the proceeds raised from the Placement (which raised gross proceeds of S\$105 million).

2.9. Shareholding structure in EPHL (as the holding Company of 100.0% of the shares in BFC Bank)

The shareholding structure after the Proposed Investment is as follows:

Shareholder	No. of ordinary shares held in EPHL	Percentage of shareholding in EPHL (%)	Share Capital (£)
The Company	1,700,000	85.0	40,000,000
MMSS	300,000 ⁽¹⁾	15.0 ⁽¹⁾	300,000 ⁽¹⁾
Total	2,000,000	100.0	40,300,000

Note:

(1) Pursuant to the completion of a subscription by MMSS of 299,000 ordinary shares in accordance with the Subscription Agreement. MMSS is 100.0% owned by MA Holdings Limited, which is in turn 100.0% owned by Mr. Ahluwalia.

LETTER TO SHAREHOLDERS

3. RULE 1006 FIGURES FOR THE PROPOSED INVESTMENT

3.1. The relative figures for the Proposed Investment computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases of calculation	Relative figure for the Proposed Investment
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	N.A. ⁽¹⁾
(b)	The net profits/losses attributable to the assets acquired or disposed of, compared with the Group's net profits/losses.	-12.4% ⁽²⁾
(c)	The aggregate value of the consideration given or aggregate value of the financial assistance given, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares.	3.2% ⁽⁴⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	N.A. ⁽⁶⁾

Notes:

- (1) This basis is not applicable to an acquisition of assets.
- (2) The relative figure of -12.4% is computed based on the net losses attributable to the Investee of approximately £1,871,000 (equivalent to approximately S\$3,433,000) for the nine (9) months ended 30 September 2021 and net profits of the Group of approximately S\$27,785,000 for the nine (9) months ended 30 September 2021, which were the most current financial figures available as at 5 January 2022, being the last full market day prior to the execution of the Transaction Agreements. Based on the net losses attributable to the Investee of approximately £2,356,000 (equivalent to approximately S\$4,323,000) for the financial year ended 31 December 2021 and net profits of the Group of approximately S\$35,820,000 for the financial year ended 31 December 2021, the relative figure in relation to Rule 1006(b) of the Listing Manual is -12.1%.
- (3) Based on the market capitalisation of the Company of S\$2,299,269,000, which is computed based on 276,946,913 Shares (excluding treasury shares) in issue and the weighted average price of S\$8.3022, as at 5 January 2022, being the last full market day prior to the execution of the Transaction Agreements.
- (4) Computed based on the Total Investment Amount of £40,000,000 (equivalent to approximately S\$73,384,000).
- (5) No Shares will be issued by the Company pursuant to the Proposed Investment.
- (6) Not applicable as the Proposed Investment does not relate to mineral, oil or gas assets by a mineral, oil and gas company.

LETTER TO SHAREHOLDERS

3.2. Approvals for the Proposed Investment

None of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20.0%. However, under Rule 1007(1) of the Listing Manual, if any of the relative figures computed pursuant to Rule 1006 of the Listing Manual involves a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1 of the Listing Manual.

Pursuant to paragraph 4.1 under Practice Note 10.1 of the Listing Manual, tests based on assets under Rule 1006(a) of the Listing Manual and profits under Rule 1006(b) of the Listing Manual may involve a negative figure in the numerator, denominator or both, which may not give a meaningful indication of the significance of a transaction to the issuer, in instance where, for example, the issuer is loss-making and/or an acquisition of a loss-making asset. Under paragraph 4.6 of Practice Note 10.1 of the Listing Manual, if the transaction does not fall within the situations in paragraphs 4.3 and 4.4, Rule 1014 of the Listing Manual shall apply to the transaction (where the transaction would be classified as a “major transaction” and shareholders’ approval will be required to be sought).

As the Proposed Investment represents the investment into EPHL which is acquiring BFC Bank (a loss-making asset) where (a) the absolute relative figure computed on the basis of each of Rule 1006(b) and Rule 1006(c) does not exceed 20.0%; but (b) the net losses attributable to the Investee exceeds 10.0% of the consolidated net profit of the Company (taking into account only the absolute values), the Proposed Investment does not fall within the situations in paragraphs 4.3 and 4.4 of Practice Note 10.1 of the Listing Manual. In accordance with Rule 1007(1) and Rule 1014 of the Listing Manual, the Company is seeking Shareholders’ approval of the Proposed Investment at the EGM.

4. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED INVESTMENT

4.1. Assumptions

The pro forma financial effects of the Proposed Investment on the Company’s share capital, the Group’s NTA per Share and EPS as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Proposed Investment. The objective of presenting the pro forma financial effects of the Proposed Investment as shown below is to illustrate what the historical financial information might have been had the Proposed Investment been completed at an earlier date. However, such financial information is not necessarily indicative of the results of the operations or the related effects in the financial position that would have been attained had the Proposed Investment been completed at the earlier date.

The pro forma financial effects have been prepared based on the unaudited financial results of the Group for the financial year ended 31 December 2021 and the unaudited financial results of BFC Bank for the financial year ended 31 December 2021, on the following bases and assumptions:

- (a) the computation includes estimated interest expenses from the Proposed Acquisition;
- (b) the Total Investment Amount being £40,000,000 (equivalent to approximately S\$73,384,000);
- (c) the Proposed Investment had been completed on 31 December 2021 for the purpose of illustrating the financial effects on the NTA; and
- (d) the Proposed Investment had been completed on 1 January 2021 for the purpose of illustrating the financial effects on the EPS.

LETTER TO SHAREHOLDERS

4.2. Share Capital

No Shares will be issued pursuant to the Proposed Investment.

4.3. NTA per Share

Assuming that the Proposed Investment were completed on 31 December 2021, the pro forma financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Investment	After the Proposed Investment
NTA attributable to owners of the Company (S\$'000)	96,030	64,349 ⁽¹⁾
Number of Shares	276,946,913 ⁽²⁾	276,946,913 ⁽²⁾
NTA per Share (Singapore cents)	34.67	23.24

Notes:

- (1) Based on the exchange rate of £1.00 to S\$1.8346 as at 5 January 2022.
- (2) Based on the number of Shares as at 7 January 2022 (the date of the announcement of the Proposed Investment).
- (3) For reference, based on 290,986,913, (being the number of Shares as at the Latest Practicable Date (which takes into consideration the 14,000,000 new Shares issued and allotted pursuant to the Placement)), the NTA per Share is 57.37 Singapore cents.

4.4. EPS

Assuming that the Proposed Investment were completed on 1 January 2021, the pro forma financial effects on the Group's EPS would be as follows:

	Before the Proposed Investment	After the Proposed Investment
Earnings after income tax (S\$'000)	30,633	25,826 ⁽¹⁾
Number of Shares	276,946,913 ⁽²⁾	276,946,913 ⁽²⁾
EPS (Singapore cents)	11.06	9.33

Notes:

- (1) Based on the exchange rate of £1.00 to S\$1.8346 as at 5 January 2022.
- (2) Based on the number of Shares as at 7 January 2022 (the date of the announcement of the Proposed Investment).
- (3) For reference, based on 290,986,913, (being the number of Shares as at the Latest Practicable Date (which takes into consideration the 14,000,000 new Shares issued and allotted pursuant to the

LETTER TO SHAREHOLDERS

Placement)), the EPS is 9.04 Singapore cents.

4.5. Gearing

As at the Latest Practicable Date, the Company does not have any borrowings and the Proposed Investment is funded as described in section 2.8 (*Source of funds*) of this Circular. Therefore, the gearing of the Group remains as nil.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company's register of interests of Directors and register of interests of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Lim Chung Chun	42,500,000	14.60	18,766,444 ⁽²⁾	6.45 ⁽²⁾
Yao Chih Matthias	-	-	312,200 ⁽³⁾	0.11 ⁽³⁾
Kok Chee Wai	-	-	1,489,928 ⁽³⁾	0.51 ⁽³⁾
Ng Loh Ken Peter	-	-	276,600 ⁽³⁾	0.10 ⁽³⁾
Mark Rudolph Duncan	-	-	319,400 ⁽⁴⁾	0.11 ⁽⁴⁾
Toh Teng Peow David	51,010	0.02	174,700 ⁽⁵⁾	0.06 ⁽⁵⁾
Janice Wu Sung Sung	60,000	0.02	-	-
Lim Wee Kian	5,759,720	1.98	13,967,400 ⁽⁶⁾	4.80 ⁽⁶⁾
Wong Tin Niam Jean Paul	398,278	0.14	543,182 ⁽⁷⁾	0.19 ⁽⁷⁾
Substantial Shareholders				
Neo Lay Kien	5,545,000	1.91	51,519,986 ⁽⁸⁾	17.70 ⁽⁸⁾
Chang Foong May	2,700,000	0.93	17,027,120 ⁽⁹⁾	5.85 ⁽⁹⁾
SPH Invest Ltd	38,892,342	13.37	-	-
Singapore Press Holdings Limited	-	-	38,892,342 ⁽¹⁰⁾	13.37 ⁽¹⁰⁾

Notes:

- (1) Based on the share capital of the Company of 290,986,913 Shares (which takes into consideration the 14,000,000 new Shares issued and allotted pursuant to the Placement) as at the Latest Practicable Date.
- (2) Mr. Lim Chung Chun is deemed interested in the Shares registered in the names of the OCBC

LETTER TO SHAREHOLDERS

- Securities Pte Ltd, CGS-CIMB Securities (Singapore) Pte. Ltd., Raffles Nominees Pte Ltd, iFAST Financial Pte Ltd (as Depository Agent), Accretion Investments Pte Ltd and his spouse, Mdm Neo Lay Kien.
- (3) Mr. Yao Chih Matthias, Mr. Kok Chee Wai and Mr. Ng Loh Ken Peter are deemed interested in the Shares registered in the name of the Depository Agent, iFAST Financial Pte. Ltd.
 - (4) Mr. Mark Rudolph Duncan is deemed interested in the Shares registered in the name of Citibank Nominees Singapore Pte. Ltd.
 - (5) Mr. Toh Teng Peow David is deemed interested in the Shares registered in the names of the Depository Agent, iFAST Financial Pte. Ltd., DBS Nominees Pte Ltd and his spouse.
 - (6) Mr. Lim Wee Kian is deemed interested in the Shares registered in the name of DBS Nominees (Private) Ltd and his spouse, Mdm Chang Foong May, and registered in the name of his personal Supplementary Retirement Scheme account opened with Development Bank of Singapore (DBS) Limited.
 - (7) Mr Wong Tin Niam Jean Paul is deemed interested in the shares registered in the name of the Depository Agent, iFAST Financial Pte Ltd and his spouse.
 - (8) Mdm Neo Lay Kien is deemed interested in the Shares registered in the name of DBS Nominees Pte Ltd , OCBC Securities Private Ltd., CGS-CIMB Securities (Singapore) Pte. Ltd., Raffles Nominees Pte Ltd, iFAST Financial Pte Ltd (as Depository Agent) and her spouse, Mr. Lim Chung Chun.
 - (9) Mdm Chang Foong May is deemed interested in the Shares registered in the name of DBS Nominees (Private) Ltd and her spouse, Mr. Lim Wee Kian.
 - (10) SPH Invest Ltd (“**SPH Invest**”) is a wholly-owned subsidiary of Singapore Press Holdings Limited (“**SPH**”), a Singapore incorporated company listed on the SGX-ST Mainboard. Accordingly, SPH is deemed interested in the Shares held by SPH Invest.

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Investment.

6. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Investment and accordingly, no service contracts in relation thereto will be entered into by the Company.

7. DIRECTORS' RECOMMENDATION

- 7.1. The Directors having considered, *inter alia*, the rationale for the Proposed Investment, the terms of the Transaction Agreements, the financial effects of the Proposed Investment, as well as the Valuation Report, and after discussion with the management of the Company, are of the opinion that the Proposed Investment is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution as set out in the Notice of EGM.

7.2. Note to Shareholders

Shareholders, in deciding whether to vote in favour of the Proposed Investment, should carefully read the terms and conditions, rationale and financial effects of the Proposed Investment. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who is in any doubt as to the course of action he/she/it should take or may require specific advice in relation to his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

LETTER TO SHAREHOLDERS

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held by way of electronic means on 14 March 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

To minimise physical interactions and COVID-19 transmission risks, Shareholders will **NOT** be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream;
- (b) submitting questions to the Chairman of the Meeting in advance of, or “live” at, the EGM; and/or
- (c) voting at the EGM (i) “live” by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM.

Details of the steps for pre-registration, submission of questions and voting at the EGM by shareholders, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF Investors and/or the SRS Investors (as may be applicable), are set out below.

In particular, CPF Investors and SRS Investors⁴ should note that they (i) may vote “live” via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **10.00 a.m. on 3 March 2022**).

Persons who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act), other than CPF Investors and SRS Investors, and who wish to participate in the EGM by:

- (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream;
- (b) submitting questions to the Chairman of the Meeting in advance of, or “live” at, the EGM; and/or
- (c) voting at the EGM (i) “live” by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM,

should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

⁴ For the avoidance of doubt, CPF Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the Meeting) to vote “live” at the EGM on their behalf.

LETTER TO SHAREHOLDERS

9.1. Pre-registration

Shareholders will be able to observe and/or listen to the EGM proceedings through a “live” audio-visual webcast or “live” audio-only stream via their mobile phones, tablets or computers, submit questions in advance of, or “live” at, the EGM and vote at the EGM (i) “live” by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM. To do so, they will need to complete the following steps.

Shareholders (including, where applicable, their appointed proxy(ies)) and CPF Investors and SRS Investors who wish to follow the proceedings of the EGM must pre-register for access to the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings at the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22> from 27 February 2022 up to 10.00 a.m. on 11 March 2022 to enable the Company to verify their status.

Following the verification, authenticated shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who have pre-registered via the pre-registration website will receive a confirmation email by 10.00 a.m. on 12 March 2022, via the e-mail address provided during pre-registration or as indicated in the Proxy Form.

Shareholders will be able to access the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings by signing in to the pre-registration website with their account credentials created during pre-registration. Shareholders must not share their login credentials to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast of the EGM proceedings. Shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who do not receive the confirmation email by 10.00 a.m. on 12 March 2022, but have registered by 10.00 a.m. on 11 March 2022, may contact our Investor Relations team at ir@ifastfinancial.com.

9.2. Questions

Shareholders, including CPF Investors and SRS Investors, can submit questions in advance of, or “live” at, the EGM.

Submission of substantial and relevant questions in advance of the EGM. Shareholders, including CPF Investors and SRS Investors, can submit substantial and relevant questions related to the resolution to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM, in the following manner:

- (a) **Via pre-registration website:** Shareholders who pre-register to observe and/or listen to the EGM proceedings may submit their questions via the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>;
- (b) **Via email.** Shareholders may submit their questions via email to ir@ifastfinancial.com; and/or
- (c) **By post.** Shareholders may submit their questions by post to the Company’s registered office at 10 Collyer Quay, #26-01 Ocean Financial Centre, Singapore 049315.

When sending in questions via email or by post, please also provide include the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Deadline to submit questions in advance of the EGM. All questions submitted in advance of the EGM via any of the above channels must be received by **10.00 a.m. on 7 March 2022.**

LETTER TO SHAREHOLDERS

Shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who have pre-registered to the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings can also ask “live” at the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM, by typing in and submitting their questions or using a video call option via the online platform hosting the audio-visual webcast and audio-only stream.

Pre-register for access to the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings to ask substantial and relevant questions “live” at the EGM. Shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), can also ask the Chairman of the Meeting substantial and relevant questions related to the resolution to be tabled for approval at the EGM, “live” at the EGM, by typing in and submitting their questions or using a video call option via the online platform hosting the audio-visual webcast and audio-only stream.

Shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who wish to ask questions “live” at the EGM must first pre-register at the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

Addressing questions. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to such questions on the Company’s website at the URL: www.ifastcorp.com and on SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements> before 10.00 a.m. on 9 March 2022 (the “**Pre-EGM Reply**”). The Company will address those substantial and relevant questions which have not already been addressed in the Pre-EGM Reply, as well as those received “live” at the EGM itself, during the EGM through the “live” audio-visual webcast and “live” audio-only stream of the EGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the EGM on SGXNet and on the Company’s website and on SGXNet within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

9.3. Voting

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where such shareholders are individuals) vote “live” via electronic means at the EGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote “live” via electronic means at the EGM on their behalf; or
- (b) (where such shareholders are individuals or corporates) appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM.

Pre-register to vote “live” at the EGM. Shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who wish to vote “live” at the EGM must first pre-register at the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

Submission of instruments of proxy. Shareholders who wish to submit instruments appointing a proxy(ies) must do so in the following manner:

- (a) if submitted by post, the instrument must be lodged with the Company’s registered office at 10 Collyer Quay, #26-01 Ocean Financial Centre, Singapore 049315; or

LETTER TO SHAREHOLDERS

- (b) if submitted electronically, the instrument must be submitted (i) via email to ir@ifastfinancial.com; or (ii) via the online process through the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>,

in each case, by **10.00 a.m. on 11 March 2022 (not less than 72 hours before the time appointed for holding the EGM)**.

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A Shareholder may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email to ir@ifastfinancial.com or appoint a proxy(ies) via the online process through the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within two (2) business days after the Company's receipt of a validly completed and submitted Proxy Form) to pre-register at the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22> in order to access the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings. Shareholders who wish to appoint third party proxy(ies) are encouraged to submit their Proxy Forms early, and should request their proxy(ies) to pre-register by **10.00 a.m. on 11 March 2022 (not less than 72 hours before the time appointed for holding the EGM)**, failing which the appointment shall be invalid.

CPF Investors and SRS Investors. CPF Investors and SRS Investors:

- (a) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **10.00 a.m. on 3 March 2022**).

If no specific direction as to voting is given, in respect of a resolution, the appointed proxy/proxies will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. 10.00 a.m. on 11 March 2022), as certified by CDP to the Company.

LETTER TO SHAREHOLDERS

9.4. Documents

This Circular, the Notice of EGM and the Proxy Form will be sent to the Shareholders solely by electronic means via publication on the Company's website and will also be made available on SGXNet. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: www.ifastcorp.com for the (a) Circular; (b) Notice of EGM; and (c) Proxy Form.

Minutes of the EGM will be provided within one (1) month after the EGM on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: www.ifastcorp.com.

9.5. Important Reminder

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Shareholders are advised to closely monitor announcements made on SGXNet and the Company's website at the URL: www.ifastcorp.com for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling it to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 situation. The Company also seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Investment, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. CONSENTS

The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Summary Valuation Letter as set out in the **Appendix** (*Summary Valuation Letter*) of this Circular and all references thereto and to the Valuation Report, in the form and context in which each appears in this Circular, and to act in such capacity in relation to this Circular.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 10 Collyer Quay, #26-01 Ocean Financial Centre, Singapore 049315 during normal business hours from 9.00 a.m. to 5.00 p.m. for three (3) months from the date of this Circular:

- (a) the Constitution;
- (b) the Investment Agreement;

LETTER TO SHAREHOLDERS

- (c) the Subscription Agreement;
- (d) the Shareholders' Agreement;
- (e) the Summary Valuation Letter;
- (f) the Valuation Report; and
- (g) the letter of consent referred to in section 11 (*Consents*) of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to ir@ifastfinancial.com to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board of Directors of
iFAST CORPORATION LTD.

Lim Chung Chun
Chairman and Chief Executive Officer

APPENDIX – SUMMARY VALUATION LETTER



Building a better
working world

EY Corporate Advisors Pte. Ltd.
One Raffles Quay
North Tower, Level 18
Singapore 048583

Mailing Address:
Robinson Road
PO Box 384
Singapore 900734

Tel: +65 6535 7777
Fax: +65 6532 7662
ey.com

The Board of Directors
iFAST Corporation Ltd.
10 Collyer Quay, #26-01,
Ocean Financial Centre,
Singapore, 049315

16 February 2022

Provision of valuation services to iFAST Corporation Ltd.

Independent Valuation Summary Letter

Dear Sirs:

1. Introduction

EY Corporate Advisors Pte. Ltd. (“**EY**” or “**we**”) has been appointed by the Board of Directors (the “**Directors**”) of iFAST Corporation Ltd. (“**iFAST**” or the “**Company**”) to perform independent valuation services of BFC Bank Limited (the “**Target**” or “**BFC Bank**”).

We understand that iFAST has entered into a share subscription agreement with Eagles Peak Holdings Limited (“EPHL”) which the Company will subscribe for 1,700,000 new ordinary shares in the capital of EPHL, constituting 85.0% shareholding in the enlarged total share capital of EPHL for a total investment amount of £40,000,000 (“Total Investment Amount”), out of which: £22,620,002 is intended to be used to fund the acquisition of BFC Bank, £2,400,000 to be used to offset transaction costs incurred in the process, £15,000,000 to fund a capital injection into BFC Bank to strengthen the capital base and execute the future plans for the business.

For the purpose of the acquisition of the entire interest of BFC Bank (“Proposed Investment”), iFAST required an independent valuer to conduct a valuation of BFC Bank for internal management purposes and for a disclosure where required in accordance with the Listing Manual of the SGX-ST. We understand that the valuation will not be used for any other purpose.

This Independent Valuation Summary Letter (the “**Letter**”) has been prepared pursuant to Rule 1015 of the Listing Manual of the SGX-ST and for the purpose of disclosure as an appendix to the Company’s Circular to be issued in relation to, *inter alia*, the Proposed Acquisition (“**Circular**”). All capitalized terms used in this letter shall have the same meanings as ascribed to them in the Circular. This is a summary of the information contained in our Independent Valuation Report dated 16 February 2022 (the “**Report**”). Accordingly, this letter should be read in conjunction with the full text of the Report.

2. Terms of reference

The valuation was carried out as at 31 August 2021 (“Valuation Date”), a date which has been advised by iFAST.

We are not expressing an opinion on the commercial merits and structure of the Proposed Investment and accordingly, this Letter and the Report do not purport to contain all the information that may be necessary or desirable to fully evaluate the commercial or investment merits of the Proposed Investment by the shareholders of iFAST. The assessment of the commercial and investment merits of the Proposed Investment is solely the responsibility of the Directors. Additionally, our work should not be construed as investment advice to the current and prospective investors of iFAST.

We have not conducted a comprehensive review of the business, operational or financial conditions of the Target’s business, and accordingly this Letter and our Report do not make any representation or warranty, express or implied in this regard.

The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of iFAST and the Target. We are, therefore not expressing any views on the future trading price of the shares or the financial condition of iFAST upon completion of, *inter alia*, the Proposed Investment.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters and, where specialist advice has been obtained by iFAST and/or the Target and made available to us, we have considered and, where appropriate, relied upon such advice.

Our work is not of the same nature as an audit and does not constitute an audit. We are not, therefore issuing an audit opinion. Instead, our work is in the nature of a review of the information provided to us, discussions with members of management of iFAST (the “iFAST Management”), members of management of the Target (the “Target Management”) and members of the incoming management of the Target (the “Target’s Incoming Management”).

EY is an independent external valuer in respect of the Proposed Investment. EY is not a substantial shareholder, director or employee of iFAST or the Target or any of its subsidiaries, or in partnership with or employed by a substantial shareholder, director or employee of iFAST or the Target or any of its subsidiaries.

Our independent opinion on the estimate of the market value of the Target will not form a basis of the price at which the Target is to be invested. This Letter and the data on which this Letter is prepared is not intended to form the basis of any investment decision in relation to the Proposed Investment and does not contain all the information that is necessary to fully evaluate the

Proposed Investment. Other than our engagement as set out above, EY has had no involvement in any other aspect pertaining to the Proposed Investment including, without limitation, the negotiations, the deliberations or the decision by the respective parties to enter into the Proposed Investment.

Use of the Letter and the Report

The objective of the Letter and the Report is to determine an independent, market value of the Target as at Valuation Date, within the defined scope set out in the Engagement Agreement dated 14 January 2022 and should not be used for any other purposes.

This Letter and the Report are addressed to, and for the use and benefit of the Directors of iFAST for the Proposed Investment, and accordingly neither the Report nor this Letter may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of iFAST and the prospective investors of iFAST). Any recommendation made by the Directors to the shareholders of iFAST shall remain the responsibility of such Directors.

Reliance on information and representation

In the course of our work, we have held discussions with the Target Management, iFAST Management and the Incoming Target Management. We have also examined and relied on information provided by them and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. However, we have made reasonable enquiries and exercised our judgement on such information and have performed our valuation on such basis.

The iFAST Management, Target Management and Incoming Target Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects, of all material facts relating to the Target as required for the purposes of our valuation (and there is no omission of material information, of which if any, would make any of the information considered herein inaccurate, incomplete, or misleading in any material respect).

In no circumstances shall we be liable, other than in the event of our bad faith or willful default, for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by iFAST/ Target and/or Incoming Target Management and the Directors, employees, or agents of iFAST or any person of whom we may have made inquiries of during the course of our work.

3. Valuation premise, approach & methodology

In performing the valuation of the business, we have adopted market value as the standard of value. Market Value is the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

We have adopted the going-concern view as the appropriate premise of value. This is on the basis that the necessary approvals will be obtained from the Prudential Regulation Authority ("PRA"), Financial Conduct Authority ("FCA") and the shareholders of iFAST for the Proposed Investment.

The BFC Bank and incoming management plans for post-acquisition envisage a material revamp of the operating model towards a digital transaction bank as well as digital-first payments and remittance business. As a part of the transaction, there will be an infusion of new, experienced management talent into the current structures of the bank who will be well-positioned to execute on digital transformation plans.

Based on our discussions with the incoming management team, we understand that preparations are already underway and concrete steps are being taken to ensure a quick transformation of the bank into a digital player. The Target's Incoming Management was able to provide us with representations to support the respective preparations and concrete steps taken. As a result, we have viewed the value of BFC Bank business through the perspective of future business plans and resulting cashflows rather than business as-is only. While we understand that including BFC Bank into iFAST ecosystem may bring additional synergies to a wider strategy to iFAST, we did not include these synergies in our valuation to maintain an average market participant valuation principle.

The basis of our work has been a regulatory approved business plan. In our approach, we account for the high execution risk of the new business plans through a commensurate discount rate. We have also performed multiple cross-checks to challenge the results of our primary income approach. These cross-checks support the findings.

Income Approach

In performing the business valuation of 100% of BFC Bank, we have adopted the income approach as the primary approach to determine the total equity value of BFC Bank as at Valuation Date. In particular, we have adopted the discounted cash flow ("DCF") method.

The DCF will be constructed based on the Target's approved Regulatory Business Plan approved by the PRA and FCA and used projected cash flow of the Target.

We have used the Free Cash Flow to Equity ("FCFE") model and Residual Income Method ("RIM") to calculate the future value of the business and calculated the present value of equity as at Valuation Date by using the appropriate discount rate commensurate to the risk of cash flows.

The discount rate used to determine the present value of the business has considered specific company risk of the Target's business operations and mid-point discounting convention is adopted.

Market Approach

We have assessed the reasonableness of our equity valuation from the income approach by cross-checking it with the Market Value determined under market approach.

We have adopted the market approach using the Guideline Public Companies Method ("GPCM") under two variations:

- i. Business Segment Analysis multiples method; and
- ii. Digital Bank Public Premium Analysis multiples method

In addition, we have applied the Guideline Transactions Method ("GTM").

Under these market approach methods, we used an appropriate Price-to-Book value multiple observed for similar companies that are either publicly traded or private, having considered, amongst relevant risk factors, such as business environment and stages of growth.

It should be noted that no two firms are exactly the same in terms of risk profile and growth. The multiples of comparable companies and transactions may vary due to differences in:

- i. Business size, characteristics, and composition;
- ii. The business environment in which the companies operate in;
- iii. Stock exchanges on which they trade;
- iv. Their stage of growth/development;
- v. Accounting policies and adjustments; and
- vi. Their investors and management's expectations of growth.

Both Income and Market approach are based on various assumptions with respect to the Target, including their respective present and future financial condition, business strategies and the environment in which they will operate in the future. These assumptions are based on the information that we have been provided with and our discussions with or on behalf of the iFAST Management, Target Management and Incoming Target Management, and reflect current expectations and views regarding future events, and therefore necessarily involve known and unknown risks and uncertainties.

Amongst other assumptions stated in the Report, the key assumptions are as follows:

- i. The valuation financial forecast has been based on the Target's Regulatory Business Plan which has been approved by the PRA and FCA. There will be a two (2) months delay to the initial planned change of control period in July 2021;
- ii. The financial forecast and its underlying assumptions reflect the Target's future business strategies for the consumer, wholesale and digital transaction banking business unit ("BU") and is assumed not to contravene existing regulatory requirements as well as to incorporate expectations towards future regulations;
- iii. To derive the equity value range from the financial forecast period, we have relied on Income Approach, using Discounted Cash Flows Method based on FCFE under a multi-stage model. First-stage includes a discrete forecast period of FY21 to FY26, followed by a two-stage terminal value. The two-stage terminal value consists of a five (5) years high growth followed by long term terminal value based on a perpetuity growth rate;
- iv. The future strategy for the Target is to build upon the strength of the existing consumer and wholesale business unit and create a new digital transaction banking unit focused on Small Medium Enterprise ("SME"), financial institutions and corporates. With the vision to become an East-West transaction bank connecting businesses via digital transaction unit and connecting consumers via digital remittance and payments unit, the bank plans significant investment in developing Information Technology ("IT") and digital capabilities which will underpin its revamped business model;
- v. All necessary licenses and regulatory approvals have been obtained to carry out the business strategies planned by the Target Management and the Target are assumed to be able to renew business licenses with minimum costs before the expiry of such licenses;
- vi. The Target is expected to be able to obtain the requisite debt or equity funding from financial institutions, shareholders, or potential investors on a timely and commercially reasonable terms basis to meet its cash flow and capital requirements;
- vii. A 40.0% discount rate was applied to the FY21-FY26 Target Management forecast, while a 11.5% discount rate was applied for terminal value calculation to reflect the reduction in risk once the business reaches scale. For the high-growth phase (FY27-FY31), a discount rate of 25.8% was used;
- viii. We have applied a DLOM as the Target, being a private company, will not be as liquid/marketable;

- ix. The high-growth rate applied in FY27 is 11.7% and a long term stable growth rate of 2.0% was applied into perpetuity;
- x. Tax rate of 25.0% is used to calculate the taxable income for FY24-FY26 after accounting for total amount of carried forward losses;
- xi. The level of Capital Expenditures (“CAPEX”) projected in the financial forecast is assumed to be sufficient to meet the forecast growth and revamping of the Target’s business model;
- xii. The Target has no material or significant contingent liabilities or uncertainty, including any litigation pending or threatened, as at the Valuation Date that warrants consideration in the forecast;
- xiii. There is no substantial commitment or uncertainty that has arisen subsequent to the Valuation Date, which is material to be considered in the forecast; and
- xiv. The audited financial statements as at 31 December 2019 and 2020 as well as the unaudited financial statements of the Target as at 31 August 2021 provided by the Target Management fairly reflect the Target’s respective financial positions as at the Valuation Date.

We have set out in the Report the key assumptions used in our valuation as well as risk factors that, in our opinion, may have a material impact on the valuation of the Target. It should be noted that it is not an exhaustive list of all risk factors relevant to the Target.

The estimates of earnings and cash flow data, to the extent they relate to the future, reflect the expectations of the Target Management and Incoming Target Management as to the future prospects of the Target and are solely used in our valuation analysis and are not intended for use as forecasts or projections of future operations.

Furthermore, there will usually be differences between the estimated and actual results because events and circumstances may not occur as expected and those differences may be material. To the extent that our conclusions are based on forecasts, we express no opinion on the achievability of these forecasts.

4. Conclusion

In summary and as detailed in the Report, which should be read in conjunction with this Letter to the Directors, the Market Value of the Target is in the range of £25.5 million to £36.2million as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this Letter and the Report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this Letter to reflect events or developments subsequent to the date of this Letter and the Report.

Yours faithfully,
For and on behalf of
EY Corporate Advisors Pte. Ltd.



Andre Toh Sern

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of iFAST Corporation Ltd. (the “**Company**”) will be held by way of electronic means on 14 March 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

Please refer to the paragraph titled “IMPORTANT INFORMATION” below for details.

*All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company's circular dated 27 February 2022 (the “**Circular**”).*

AS ORDINARY RESOLUTION:

THE PROPOSED ACQUISITION OF AND INVESTMENT IN BFC BANK LIMITED THROUGH SUBSCRIPTION OF SHARES AMOUNTING TO 85.0% SHAREHOLDING IN EAGLES PEAK HOLDINGS LIMITED FOR £40,000,000

THAT:

- (a) the Proposed Investment be and is hereby approved and that authority be and is hereby granted to the Directors to carry out and implement the Proposed Investment in accordance with the Transaction Agreements;
- (b) the entry into the Transaction Agreements and any other transactions and/or ancillary documents contemplated under the Transaction Agreements be and is hereby approved, confirmed and ratified; and
- (c) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution and implement any of the foregoing as they think fit and in the interests of the Company.

By Order of the Board
iFAST CORPORATION LTD.

Lim Chung Chun
Chairman and Chief Executive Officer
Singapore, 27 February 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

IMPORTANT INFORMATION

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL: www.ifastcorp.com and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>.

2. Alternative arrangements relating to:

- (a) attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);
- (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the EGM, and addressing of substantial and relevant questions in advance of, or "live" at, the EGM; and
- (c) voting at EGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the EGM,

are set out in the Circular. The Circular may be accessed at the Company's website at the URL: www.ifastcorp.com and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>.

3. **To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the EGM in person. A member who wishes to exercise his/her/its voting rights at the EGM may:**

- (a) (where the member is an individual) vote "live" via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on his/her/its behalf; and
- (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.

The accompanying Proxy Form for the EGM may be downloaded from the Company's website at the URL: www.ifastcorp.com and on the SGXNet website at the URL: <https://www.sgx.com/securities/company-announcements>. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL: <https://conveneagm.com/sq/ifastegm22>.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument; and (b) a member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A proxy need not be a member of the Company. The Chairman of the EGM, as proxy, need not be a member of the Company.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) if submitted by post, be lodged with the Company's registered office at 10 Collyer Quay, #26-01 Ocean Financial Centre, Singapore 049315; and
- (b) if submitted electronically, the instrument must be submitted (i) via email to ir@ifastfinancial.com; or (ii) via the online process through the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

in each case, by **10.00 a.m. on 11 March 2022 (not less than 72 hours before the time appointed for holding the EGM)**.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

In view of the current COVID-19 measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL: <https://conveneagm.com/sg/ifastegm22>.

7. CPF Investors and SRS Investors:

- (a) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; and
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **10.00 a.m. on 3 March 2022**).

8. This Notice, the Circular and the Proxy Form will be sent to the members solely by electronic means via publication on the Company's website and will also be made available on SGXNet. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: www.ifastcorp.com for the (a) Circular; (b) Notice of EGM; and (c) Proxy Form:

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Members are advised to closely monitor announcements made on SGXNet and the Company's website at the URL: www.ifastcorp.com for updates on the EGM.