

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

iFAST

**iFAST Corporation Ltd.
and its Subsidiaries**

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

**Unaudited First Quarter 2018
Financial Statements Announcement**

First Quarter 2018 Financial Statements and Dividend Announcement

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

Consolidated income statement for the first quarter ended 31 March 2018

	1Q18 \$'000	Group 1Q17 \$'000 Restated	Change %
Revenue	30,959	22,097	40.1
Commission and fee paid or payable to third party financial advisers	(16,581)	(10,926)	51.8
	14,378	11,171	28.7
Other income	284	232	22.4
Depreciation of plant and equipment	(383)	(311)	23.2
Amortisation of intangible assets	(920)	(579)	58.9
Staff costs	(6,103)	(4,842)	26.0
Other operating expenses	(4,472)	(3,704)	20.7
Results from operating activities	2,784	1,967	41.5
Finance income	229	204	12.3
Finance cost	⁽¹⁾	(1)	NM
Net finance income	229	203	12.8
Share of results of associates, net of tax	(28)	(131)	(78.6)
Profit before tax	2,985	2,039	46.4
Tax expense	(290)	(285)	1.8
Profit for the period	2,695	1,754	53.6
Profit attributable to:			
Owners of the Company	2,753	1,804	52.6
Non-controlling interests	(58)	(50)	16.0
Profit for the period	2,695	1,754	53.6

NM denotes not meaningful.

⁽¹⁾ Amount less than \$1,000

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

Consolidated statement of comprehensive income for the first quarter ended 31 March 2018

	1Q18 \$'000	Group 1Q17 \$'000	Change %
		Restated	
Profit for the period	2,695	1,754	53.6
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of financial assets at FVOCI	43	129	(66.7)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	2	9	(77.8)
Foreign currency translation differences for foreign operations	(106)	(528)	(79.9)
Share of other comprehensive income of associates	-	3	NM
	(61)	(387)	(84.2)
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of financial assets at FVOCI	(426)	364	NM
	(426)	364	NM
Other comprehensive income for the period, net of tax	(487)	(23)	2,017.4
Total comprehensive income for the period	2,208	1,731	27.6
Attributable to:			
Owners of the Company	2,264	1,785	26.8
Non-controlling interests	(56)	(54)	3.7
Total comprehensive income for the period	2,208	1,731	27.6

NM denotes not meaningful.

FVOCI denotes fair value through other comprehensive income.

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

	1Q18 \$'000	Group 1Q17 \$'000	Change %
	Restated		
<u>Profit for the period is arrived at after charging / (crediting) the following:</u>			
Other income			
- Investment income	(164)	(148)	10.8
- Government grant	(102)	(79)	29.1
- Miscellaneous income	(18)	(5)	260.0
	(284)	(232)	22.4
Interest income			
- from cash and cash equivalents	(181)	(84)	115.5
- from investment in financial assets	(47)	(120)	(60.8)
- from receivables	(1)	-	NM
	(229)	(204)	12.3
Operating lease expense	1,560	1,504	3.7
Unrealised exchange loss, net	124	84	47.6
Equity-settled share-based payment transactions, included in staff costs	511	390	31.0
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	83	83	-
Loss on redemption of investment in financial assets at FVOCI, included in investment income	2	9	(77.8)
Dividend income on investment in financial assets at FVOCI, included in investment income	(179)	(175)	2.3
Net loss on held-for-trading financial assets, included in investment income	22	27	(18.5)

NM denotes not meaningful.

FVOCI denotes fair value through other comprehensive income.

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

	Group As at		Company As at	
	31-Mar-18 \$'000	31-Dec-17 \$'000	31-Mar-18 \$'000	31-Dec-17 \$'000
Assets				
Plant and equipment	3,175	2,308	69	66
Intangible assets and goodwill	13,596	13,622	10,898	10,720
Subsidiaries	-	-	49,510	50,090
Associates	2,424	1,616	2,854	2,017
Other investments	3,952	3,849	886	783
Deferred tax assets	694	542	-	-
Prepayments and others	310	346	11	11
Total non-current assets	24,151	22,283	64,228	63,687
Current tax receivables	20	34	-	-
Other investments	24,705	22,413	24,705	22,413
Uncompleted contracts - buyers	12,201	9,056	-	-
Trade and other receivables	32,688	28,135	8,574	7,773
Prepayments	1,385	1,315	110	26
Money market funds	2,378	2,619	-	-
Cash at bank and in hand	18,266	30,879	1,491	8,452
Total current assets	91,643	94,451	34,880	38,664
Held under trust				
Client bank accounts	445,634	275,461	-	-
Client ledger balances	(445,634)	(275,461)	-	-
	-	-	-	-
Total assets	115,794	116,734	99,108	102,351
Equity				
Share capital	65,552	65,545	65,552	65,545
Reserves	18,316	15,691	21,167	21,555
Equity attributable to owners of the Company	83,868	81,236	86,719	87,100
Non-controlling interests	(39)	17	-	-
Total equity	83,829	81,253	86,719	87,100
Liabilities				
Deferred tax liabilities	1,250	1,195	1,008	930
Finance lease liabilities	12	13	-	-
Total non-current liabilities	1,262	1,208	1,008	930
Uncompleted contracts - sellers	12,160	8,936	-	-
Trade and other payables	17,074	24,253	11,381	14,321
Finance lease liabilities	5	5	-	-
Current tax payables	1,464	1,079	-	-
Total current liabilities	30,703	34,273	11,381	14,321
Total liabilities	31,965	35,481	12,389	15,251
Total equity and liabilities	115,794	116,734	99,108	102,351

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

Amount repayable in one year or less, or on demand

	Group			
	As at 31-Mar-18 \$'000		As at 31-Dec-17 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	5	-	5	-

Amount repayable after one year

	Group			
	As at 31-Mar-18 \$'000		As at 31-Dec-17 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	12	-	13	-

Details of any collateral

The finance lease liabilities as at 31 March 2018 are secured by the leased assets.

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

	Group	
	1Q18 \$'000	1Q17 \$'000
		Restated
Cash flows from operating activities		
Profit for the period	2,695	1,754
Adjustments for:		
Depreciation of plant and equipment	383	311
Amortisation of intangible assets	920	579
Equity-settled share-based payment transactions	594	473
Dividend income on investment in available-for-sale financial assets	(179)	(175)
Loss on redemption of investment in available-for-sale financial assets	2	9
Net loss on held-for-trading financial assets	22	27
Share of results of associates, net of tax	28	131
Dividend income on investment in associates	(9)	(9)
Unrealised exchange loss, net	124	84
Plant and equipment written off	20	-
Net finance income	(229)	(203)
Tax expense	290	285
	<u>4,661</u>	<u>3,266</u>
Change in uncompleted contracts and trade and other receivables	(7,521)	88
Change in uncompleted contracts and trade and other payables	3,665	(747)
Cash generated from operations	805	2,607
Tax paid	10	7
Interest received	196	193
Interest paid	⁽¹⁾	(1)
Net cash from operating activities	1,011	2,806
Cash flows from investing activities		
Purchase of plant and equipment	(1,269)	(245)
Purchase of intangible assets	(2,751)	(646)
Additional investment in associates	(836)	-
Dividend from associates	18	17
Purchase of investment in financial assets	(18,735)	(12,890)
Proceeds from redemption of investment in financial assets	9,899	16,202
Dividends received from investment in financial assets at FVOCI	4	5
Acquisition of subsidiary, net of cash acquired	-	(702)
Net cash (used in) / from investing activities	(13,670)	1,741
Cash flows from financing activities		
Proceeds from exercise of share options	7	38
Purchase of treasury shares	(150)	(296)
Proceeds from shares issued to non-controlling interests of subsidiary	-	78
Repayment of finance lease liabilities	(1)	(1)
Net cash used in financing activities	(144)	(181)
Net (decrease) / increase in cash and cash equivalents	(12,803)	4,366
Cash and cash equivalents at beginning of the period	33,498	22,464
Effect of exchange rate fluctuations on cash held	(51)	(350)
Cash and cash equivalents at end of the period	20,644	26,480

⁽¹⁾ Amount less than \$1,000

FVOCI denotes fair value through other comprehensive income.

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

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total	Non-controlling interests	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 January 2018, as previously stated	65,545	(278)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,361	81,236	17	81,253
Effect of adoption of SFRS(I) 9	-	(217)	-	-	-	-	-	217	-	-	-
At 1 January 2018, as restated	65,545	(495)	(1,478)	1,790	2,845	(2,010)	(2,539)	17,578	81,236	17	81,253
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	2,753	2,753	(58)	2,695
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(383)	-	-	-	-	-	-	(383)	-	(383)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	2	-	-	-	-	-	-	2	-	2
Foreign currency translation differences for foreign operations	-	-	(108)	-	-	-	-	-	(108)	2	(106)
Share of other comprehensive income of associates	-	(2)	2	-	-	-	-	-	-	-	-
Total other comprehensive income	-	(383)	(106)	-	-	-	-	-	(489)	2	(487)
Total comprehensive income for the period	-	(383)	(106)	-	-	-	-	2,753	2,264	(56)	2,208
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	7	-	-	-	-	-	-	-	7	-	7
Purchase of treasury shares	-	-	-	-	-	-	(150)	-	(150)	-	(150)
Treasury shares re-issued	-	-	-	-	(1,810)	-	1,192	618	-	-	-
Equity-settled share-based payment transactions	-	-	-	72	439	-	-	-	511	-	511
Total contributions by and distribution to owners	7	-	-	72	(1,371)	-	1,042	618	368	-	368
Total transactions with owners	7	-	-	72	(1,371)	-	1,042	618	368	-	368
At 31 March 2018	65,552	(878)	(1,584)	1,862	1,474	(2,010)	(1,497)	20,949	83,868	(39)	83,829

FVOCI denotes fair value through other comprehensive income.

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

	Group										
	Attributable to owners of the Company										Total equity
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total	Non-controlling interests	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2017, as previously stated	64,147	12	(535)	1,496	2,250	(2,010)	(2,531)	15,617	78,446	150	78,596
Effect of adoption of SFRS(I) 9	-	(391)	-	-	-	-	-	391	-	-	-
As 1 January 2017, as restated	64,147	(379)	(535)	1,496	2,250	(2,010)	(2,531)	16,008	78,446	150	78,596
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	1,804	1,804	(50)	1,754
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	493	-	-	-	-	-	-	493	-	493
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	-	-	9	-	9
Foreign currency translation differences for foreign operations	-	-	(524)	-	-	-	-	-	(524)	(4)	(528)
Share of other comprehensive income of associates	-	(1)	3	-	-	-	-	-	3	-	3
Total other comprehensive income	-	502	(521)	-	-	-	-	-	(19)	(4)	(23)
Total comprehensive income for the period	-	502	(521)	-	-	-	-	1,804	1,785	(54)	1,731
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	38	-	-	-	-	-	-	-	38	-	38
Purchase of treasury shares	-	-	-	-	-	-	(296)	-	(296)	-	(296)
Treasury shares re-issued	-	-	-	-	(753)	-	519	234	-	-	-
Equity-settled share-based payment transactions	-	-	-	46	344	-	-	-	390	-	390
Total contributions by and distribution to owners	38	-	-	46	(409)	-	223	234	132	-	132
Changes in ownership interests in subsidiaries											
Issue of shares to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	78	78
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	78	78
Total transactions with owners	38	-	-	46	(409)	-	223	234	132	78	210
At 31 March 2017	64,185	123	(1,056)	1,542	1,841	(2,010)	(2,308)	18,046	80,363	174	80,537

FVOCI denotes fair value through other comprehensive income.

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

	Company						
	Attributable to owners of the Company						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2018, as previously stated	65,545	(279)	1,564	2,845	(2,539)	19,964	87,100
Effect of adoption of SFRS(I) 9	-	(217)	-	-	-	217	-
At 1 January 2018, as restated	65,545	(496)	1,564	2,845	(2,539)	20,181	87,100
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(296)	(296)
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(383)	-	-	-	-	(383)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	2	-	-	-	-	2
Total other comprehensive income	-	(381)	-	-	-	-	(381)
Total comprehensive income for the period	-	(381)	-	-	-	(296)	(677)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	7	-	-	-	-	-	7
Purchase of treasury shares	-	-	-	-	(150)	-	(150)
Treasury shares re-issued	-	-	-	(1,810)	1,192	618	-
Equity-settled share-based payment transactions	-	-	-	439	-	-	439
Total contributions by and distribution to owners	7	-	-	(1,371)	1,042	618	296
Total transactions with owners	7	-	-	(1,371)	1,042	618	296
At 31 March 2018	65,552	(877)	1,564	1,474	(1,497)	20,503	86,719

FVOCI denotes fair value through other comprehensive income.

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

	Company						
	Attributable to owners of the Company						Total equity
	Share capital	Fair value reserve	Share option reserve	Performance share reserve	Reserve for own shares	Accumulated profits	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2017, as previously stated	64,147	12	1,496	2,250	(2,531)	14,814	80,188
Effect of adoption of SFRS(I) 9		(391)				391	-
At 1 January 2017, as restated	64,147	(379)	1,496	2,250	(2,531)	15,205	80,188
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	9,428	9,428
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	473	-	-	-	-	473
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	9
Total other comprehensive income	-	482	-	-	-	-	482
Total comprehensive income for the period	-	482	-	-	-	9,428	9,910
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	38	-	-	-	-	-	38
Purchase of treasury shares	-	-	-	-	(296)	-	(296)
Treasury shares re-issued	-	-	-	(753)	519	234	-
Equity-settled share-based payment transactions	-	-	46	344	-	-	390
Total contributions by and distribution to owners	38	-	46	(409)	223	234	132
Total transactions with owners	38	-	46	(409)	223	234	132
At 31 March 2017	64,185	103	1,542	1,841	(2,308)	24,867	90,230

FVOCI denotes fair value through other comprehensive income.

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

The number of shares in issue in the Company as at 31 March 2018 excluding treasury shares and subsidiary holdings was 265,871,518 ordinary shares (31 December 2017: 264,672,618 ordinary shares). The movements in the Company's share capital during the first quarter ended 31 March 2018 were as follows:

	Number of ordinary shares
As at 31 December 2017	264,672,618
Exercise of share options	15,400
Vesting of performance shares	1,347,300
Purchase of treasury shares	(163,800)
As at 31 March 2018	<u><u>265,871,518</u></u>

Share Option Schemes 2003 and 2013 ("iFAST SOS")

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

	Number of share options
As at 31 December 2017	4,668,601
Share options granted	-
Exercised	(15,400)
Forfeited	-
As at 31 March 2018	<u><u>4,653,201</u></u>

As at 31 March 2018, the number of outstanding share options under the iFAST SOS was 4,653,201 (31 March 2017: 7,226,054).

iFAST Corporation Performance Share Plan ("iFAST PSP")

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

	Number of performance shares
As at 31 December 2017	4,167,800
Performance shares granted but not vested	3,785,800
Vested	(1,347,300)
Forfeited	(39,000)
As at 31 March 2018	<u>6,567,300</u>

On 1 March 2018, the Company granted the share awards pursuant to the iFAST PSP. As at 31 March 2018, the number of outstanding performance shares granted but not vested under the iFAST PSP was 6,567,300 (31 March 2017: 2,556,200).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 31 December 2017	2,869,200
Purchased by way of on-market acquisition	163,800
Purchased by way of off-market acquisition	-
Re-issued	(1,347,300)
As at 31 March 2018	<u>1,685,700</u>

As at 31 March 2018, 1,685,700 (31 March 2017: 2,533,600) treasury shares were held by the Company that may be re-issued upon the exercise of share options under the iFAST SOS and upon the vesting of performance shares under the iFAST PSP.

As at 31 March 2018, the treasury shares held represented 0.6% (31 March 2017: 1.0%) of the total number of issued shares excluding treasury shares.

The Company has no subsidiary holdings as at 31 March 2018 and 31 March 2017.

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

	As at 31-Mar-18	As at 31-Dec-17
Total number of issued shares excluding treasury shares	<u>265,871,518</u>	<u>264,672,618</u>

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

Between 1 January 2018 and 31 March 2018, the Company transferred 1,347,300 treasury shares for the fulfilment of share awards vested under the iFAST PSP. The total value of the treasury shares transferred was \$1.19 million.

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

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2018.

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

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

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

Not applicable.

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

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

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

The Group and the Company have adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 January 2018 and have prepared the first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group's opening statement of financial position under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

Except for SFRS(I) 9 Financial Instruments, the adoption of the SFRS(I)s, amendments and interpretations of SFRS(I)s is assessed to have no material impact to the results and financial position of the Group and of the Company for the year ending 31 December 2018.

Besides the statements of changes in equity for the Group and for the Company from page 8 to page 11 showing details on the quantum of the adjustments made in relation to SFRS(I) 9, the following comparative figures that have been restated with significant impact arising from the adoption of SFRS(I) 9 are summarised below:

	1Q17	
	Reported previously \$'000	Restated \$'000
Consolidated income statement and consolidated statement of comprehensive income		
Other income	438	232
Profit for the period	1,960	1,754
Profit attributable to:		
Owners of the Company	2,010	1,804
Non-controlling interests	(50)	(50)
	1,960	1,754
Other comprehensive income for the period, net of tax	(229)	(23)
Total comprehensive income for the period	1,731	1,731

	1Q17	
	Reported previously	Restated
Earnings per share		
- basic (cents)	0.77	0.69
- diluted (cents)	0.76	0.68

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

	1Q18	1Q17
		Restated
(i) Based on weighted average number of ordinary shares on issue		
- Weighted average number of ordinary shares	265,073,251	262,329,082
Basic earnings per share (cents)	1.04	0.69
(ii) On a fully diluted basis of ordinary shares		
- Adjusted weighted average number of ordinary shares	268,687,306	265,697,445
Diluted earnings per share (cents)	1.02	0.68

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

	Group		Company	
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
Net asset value per ordinary share (cents)	31.54	30.69	32.62	32.91

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Income Statement

Revenue

The Group achieved revenue of \$30.96 million for the first quarter ended 31 March 2018 ("1Q18"), 40.1% higher than the first quarter last year ("1Q17").

The year-on-year ("YoY") increases in 1Q18 was bolstered by the growth in the Group's business and Asset Under Administration ("AUA") for both Business-to-Customer ("B2C") and Business-to-Business ("B2B") business divisions in the period. The Group's AUA grew 24.8% YoY to reach a new record of \$8.07 billion as at 31 March 2018, contributed by the Group's continuing efforts to widen the range of investment products and services and strengthen the financial technology ("FinTech") capabilities of its platforms in the various markets in recent years.

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's revenue. The revenue in Singapore operation was up 33.4% YoY in 1Q18, mainly contributed by significant increases in investment subscription amounts (including transfer-in amounts) in unit trusts ("UTs"), exchange-traded funds ("ETFs") and stocks in the period. Singapore operation launched SGX stockbroking service on FSMOne and B2B platforms and US stockbroking service on FSMOne platform in 2017, following the launch of HKEX stockbroking service in December 2016. The AUA of Singapore operation grew 17.6% YoY as at 31 March 2018.

Hong Kong operation continued its efforts to broaden the range and depth of its investment products and services on its platforms, with the launch of FinTech solutions division in October 2017 and the launch of multi-products FSMOne platform in November 2017 to include multiple products and services such as UTs, bonds, stocks, ETFs and managed portfolios (robo-advisory portfolios) via one account. iFAST Platform Services (HK) Limited, a business unit under the B2B division of Hong Kong operation, won the Bronze Award in the Licensed Financial Institution Category at the Internet Finance Award 2017 in Hong Kong. The significant increase in investment subscription amounts from customers especially in B2B business division in the period resulted in an increase in revenue of 58.4% YoY in 1Q18. The AUA of Hong Kong operation grew 32.6% YoY as at 31 March 2018.

In Malaysia, the significant growth of UT business and AUA contributed to an increase in revenue of 60.9% YoY in 1Q18. The bond business and the robo-advisory portfolio service launched in the second quarter of 2017 also contributed to the increase in revenue in Malaysia, although not significantly in the quarter. The AUA of Malaysia operation grew 44.3% YoY as at 31 March 2018.

China business still remains in the early stages of building the iFAST brand among potential clients and investment practitioners in China's wealth management industry. For the China onshore business, the China operation is working to expand its network with existing B2B partners in the market. For the China offshore business, it continues to help investors in China invest internationally, especially through the Group's presences in Hong Kong and Singapore. Benefitting from increasing growth in both the onshore and offshore segments over the period, the gross revenue and net revenue in China operation increased by 25.2% YoY and 216.4% YoY respectively in 1Q18. The AUA of China operation grew 561.2% YoY to RMB 715 million as at 31 March 2018.

	1Q18	Group 1Q17	Change
	\$'000	\$'000	%
Singapore	21,509	16,124	33.4
Hong Kong	6,937	4,380	58.4
Malaysia	2,339	1,454	60.9
	30,785	21,958	40.2
China	174	139	25.2
Total revenue	30,959	22,097	40.1

Commission and fee paid or payable to third party financial advisers

Commission and fee paid or payable to third party financial advisers increased by 51.8% from \$10.93 million in 1Q17 to \$16.58 million in 1Q18. The increase was in line with the increase in revenue from B2B business in the period.

Net revenue

Net revenue represents revenue earned by the Group after commission and fee paid or payable to third party financial advisers. The net revenue of \$14.38 million for 1Q18 was 28.7% higher than 1Q17.

The following table shows the breakdown of the Group's net revenue, by recurring and non-recurring basis. The Group's business module gives a stream of reliable recurring revenue which is based on AUA. For 1Q18, 80.2% of net revenue is derived from recurring net revenue and 19.8% is from non-recurring net revenue.

	1Q18	Group 1Q17	Change
	\$'000	\$'000	%
Recurring net revenue	11,536	9,413	22.6
Non-recurring net revenue	2,842	1,758	61.7
Total net revenue	14,378	11,171	28.7

Recurring net revenue is usually calculated based on a percentage of average AUA of Investment Products distributed on the Group's platforms, and mainly comprises trailer fees, platform fees and wrap fees. The YoY increase in recurring net revenue in 1Q18 was mainly due to an increase in average AUA for both B2B business and B2C business in the period, which benefited from new inflows of investments from customers as well as relatively positive market sentiment in the period. The average AUA of the Group grew 26.6% YoY to \$7.88 billion in 1Q18.

Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commissions or processing fees; service fees arising from the provision of currency conversion administration services to customers and the provision of administration services to FA firms; advertising fees earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution fees for provision of IT solutions to business partners. The increase in non-recurring net revenue was due mainly to increases in commission income as a result of increased investment subscription from customers and IT outsourcing fees earned from provision of IT solutions to some FA firms and institutional clients in the period.

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

	1Q18	Group	Change
	\$'000	1Q17	%
		\$'000	
Singapore	9,752	8,025	21.5
Hong Kong	3,394	2,391	41.9
Malaysia	1,058	700	51.1
	<u>14,204</u>	<u>11,116</u>	<u>27.8</u>
China	174	55	216.4
Total net revenue	<u><u>14,378</u></u>	<u><u>11,171</u></u>	<u><u>28.7</u></u>

Other income

Other income increased by \$0.05 million or 22.4% from \$0.23 million in 1Q17 to \$0.28 million in 1Q18, due mainly to higher government grant received in the period.

Operating expenses

Excluding China operation, the Group's operating expenses increased by \$2.10 million or 25.0% from \$8.38 million in 1Q17 to \$10.48 million in 1Q18. The increase was mainly due to the Group's increased efforts in enhancing its platform capabilities including improving the range of investment products and services being provided to customers in the existing markets in the period. Singapore operation has leased additional office space from July 2017 to support its business expansion.

For our China operation, operating expenses increased by 33.0% YoY and 4.1% quarter-on-quarter ("QoQ") to \$1.40 million in 1Q18. The increase was due mainly to our increasing efforts in building our brand and business in the China market over the period.

Overall, the Group's total operating expenses increased by \$2.44 million or 25.9% from \$9.44 million in 1Q17 to \$11.88 million in 1Q18. The following table shows the breakdown of the Group's operating expenses by its existing markets and China market.

	1Q18	Group	Change
	\$'000	1Q17	%
		\$'000	
Operating expenses (excluding China operation)	10,475	8,381	25.0
Operating expenses in China operation	1,403	1,055	33.0
Total operating expenses	<u><u>11,878</u></u>	<u><u>9,436</u></u>	<u><u>25.9</u></u>

Depreciation of plant and equipment increased by \$0.07 million or 23.2% from \$0.31 million in 1Q17 to \$0.38 million in 1Q18. Amortisation of intangible assets increased by \$0.34 million or 58.9% from \$0.58 million in 1Q17 to \$0.92 million in 1Q18. These were due mainly to additions of plant and equipment and intangible assets (including internally-developed IT software assets) over the period, to support business expansion in the markets that the Group operates in and to continuously strengthen the FinTech capabilities of our investment platforms.

Staff costs increased by \$1.26 million or 26.0% from \$4.84 million in 1Q17 to \$6.10 million in 1Q18, due mainly to the annual salary increment adjusted in January 2018, the increased number of staff over the period, and the increased equity-settled share-based payment transactions resulting from another batch of performance shares granted to the Group's employees in March 2018.

Other operating expenses increased by \$0.77 million or 20.7% from \$3.70 million in 1Q17 to \$4.47 million in 1Q18, due mainly to an increase in rental of Singapore operation arising from lease of additional office space in Singapore from July 2017, and increases in advertising, IT service and maintenance, bank charges and brokerage costs to support the growth of the Group's business in the period.

Net finance income

Net finance income increased by \$0.03 million or 12.8% from \$0.20 million in 1Q17 to \$0.23 million in 1Q18. This was due mainly to higher interest income from bank deposits in 1Q18, partially offset by lower interest income from investment in financial assets arising from redemptions of some bond investments at FVOCI over the period.

Share of results of associates, net of tax

The Group's share of loss after tax of associates decreased from \$0.13 million in 1Q17 to \$0.03 million in 1Q18. This was due mainly to some improvement in results of associates, namely Provident Holding Pte Ltd and iFAST India Holdings Pte Ltd, in the period.

iFAST India Holdings Pte Ltd is an ultimate holding company of iFAST Financial India Pvt Ltd ("iFAST India"), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. iFAST India had a AUA of Indian Rupee 25.42 billion (equivalent to \$512 million) as at 31 March 2018, growing at a 5-year compound annual growth rate ("CAGR") of approximately 54.2%.

Profit for the period, after non-controlling interests

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

	Group		Change
	1Q18	1Q17	
	\$'000	\$'000	%
		Restated	
Singapore	3,003	2,773 ⁽³⁾	8.3
Hong Kong	811	121	570.2
Malaysia	405	261	55.2
Other ⁽¹⁾	(28)	(131)	(78.6)
Profit before tax (excluding China operation)	4,191	3,024	38.6
Tax expense	(290)	(285)	1.8
Net profit after tax (excluding China operation)	3,901	2,739	42.4
China operation ⁽²⁾	(1,148)	(935)	22.8
Net profit after tax (including China operation)	2,753	1,804	52.6

Notes:

(1) Referring to share of results of associates.

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

(3) The profit before tax of Singapore operation for 1Q17 has been reduced by approximately \$206,000 to \$2,773,000 as a result of adoption of SFRS(I) 9.

Overall, excluding China operation, the Group's profit before tax increased by \$1.17 million or 38.6% from \$3.02 million in 1Q17 to \$4.19 million in 1Q18, due mainly to higher contributions from Singapore, Hong Kong and Malaysia operations in the quarter.

Tax expense kept flat YoY in 1Q18 despite an increase in taxable income in the quarter, due mainly to tax expense recognised in Singapore operation in the quarter partially offset by some deferred tax assets recognised by Hong Kong and Malaysia operations for some unused tax losses at 31 March 2018.

China operation is still in the early stages of building iFAST brand and business in this new market. The loss from China operation increased by 22.8% YoY and 1.1% QoQ to \$1.15 million in 1Q18, China operation has signed up more than 70 fund houses, with over 2,700 funds on its platform, and has also signed up with more than 40 B2B partners (including Internet and financial services companies) in the market.

Including China operation and tax expense, the Group's net profit after tax increased by \$0.95 million or 52.6% from \$1.80 million in 1Q17 to \$2.75 million in 1Q18.

Statement of Financial Position

The shareholders' equity of the Group increased to \$83.87 million as at 31 March 2018 from \$81.24 million as at 31 December 2017. This was due mainly to contribution of net profit generated in 1Q18, and partially offset by a decrease in fair value of some financial assets at FVOCI and purchase of treasury shares in the quarter.

The Group's cash position (including cash at bank and in hand, money market fund and investments in financial assets categorised as other investments under current assets) decreased to \$45.35 million as at 31 March 2018 from \$55.91 million as at 31 December 2017. This was due mainly to some cross-month funding of transfer-in of customers' investment holdings from other external platforms to iFAST platforms at 31 March 2018 and settlement of payments of securities investment and intangible assets acquired at 31 December 2017 in 1Q18.

Current assets decreased to \$91.64 million as at 31 March 2018 from \$94.45 million as at 31 December 2017. This was due mainly to a decrease in the Group's cash position at 31 March 2018, partially offset by an increase in trade and other receivables arising from cross-month funding of transfer-in of customers' investment holdings from other external platforms to iFAST platforms and an increase in uncompleted contracts on securities dealing at end of the period.

Non-current assets increased to \$24.15 million as at 31 March 2018 from \$22.28 million as at 31 December 2017. The increase was due mainly to additions of plant and equipment and additional investments in existing associates in the quarter.

Total liabilities decreased to \$31.97 million as at 31 March 2018 from \$35.48 million as at 31 December 2017. This was due mainly to a decrease in trade and other payables arising from settlement of payments of securities investment acquired at 31 December 2017 in 1Q18, partially offset by an increase in tax payables and an increase in uncompleted contracts on securities dealing at end of the period.

Consolidated Statement of Cash Flows

Net cash from operating activities decreased from \$2.81 million in 1Q17 to \$1.01 million in 1Q18. This was due mainly to some cross-month funding of transfer-in of customers' investment holdings from other external platforms to iFAST platforms at 31 March 2018, partially offset by higher operating profit generated in the period.

Net cash used in investing activities was \$13.67 million in 1Q18 compared to net cash of \$1.74 million from investing activities in 1Q17. This was due mainly to settlement of payments of securities investment and intangible assets acquired at 31 December 2017 in 1Q18, and additions of plant and equipment and securities investment acquired in the quarter.

Net cash used in financing activities decreased from \$0.18 million in 1Q17 to \$0.14 million in 1Q18, due mainly to lower purchase of treasury shares in the quarter.

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

No forecast or prospect statement was previously provided.

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

We believe that the Group's efforts over the last three years in broadening the range of products and services that are available on its platforms are showing some initial results. The Group now runs a comprehensive wealth management platform that will help bring the Group's AUA and overall business volume to the next level in the years ahead.

The Group's AUA has been growing, increasing 24.8% YoY to a record S\$ 8.07 billion as of end of 1Q18. We believe that in the medium to long term, the Group still have a lot of room for growth as the current AUA is still a small amount relative to the size of the wealth management industry in Singapore and Asia.

Barring a major deterioration of the financial markets, we expect the Group's business in the existing key markets of Singapore, Hong Kong and Malaysia to show further improvement in 2018 compared to 2017.

China is still in its initial stages of building up, and China's losses in 2018 are expected to be comparable to 2017. In the years ahead, we expect China to be an important contributor to the Group.

Overall, barring any unforeseen adverse circumstances, we expect the Group's business performance in 2018 to be better than 2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	Interim
Dividend type	Cash
Dividend rate	0.68 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The interim dividend will be paid on 18 May 2018.

(d) Books closure date

The Register of Members and Share Transfer Books of the Company will be closed on 9 May 2018 for the purpose of determining members' entitlements to the first interim dividend. Accordingly, registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00 Singapore 068898, up to 5.00 pm on 8 May 2018 will be registered to determine members' entitlement to the first interim dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 8 May 2018 will be entitled to the first interim dividend.

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

Not applicable.

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

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

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

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

15. Use of proceeds from the Company's initial public offering.

Pursuant to the IPO on 11 December 2014, the Company received net proceeds of \$48.0 million from the issuance of the new shares (including over-allotment shares), after deducting for share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million. The following table sets out our use of the net IPO proceeds up to 31 March 2018.

	Allocation of IPO proceeds	IPO proceeds utilised as at 31 March 2018	Balance of IPO proceeds
Use of net proceeds	\$' million	\$' million	\$' million
Mergers and acquisitions strategy	27.2	10.2	17.0
Expansion of our business in the Chinese market	7.0	6.8	0.2
Enhancement of our product capabilities, IT and services	8.0	8.0	-
Working capital purposes	5.8	5.8 ⁽²⁾	-
Net Proceeds	48.0 ⁽¹⁾	30.8	17.2

Note:

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

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

Pending the deployment of the remaining net proceeds as disclosed above, the balance of IPO proceeds of \$17.2 million has been used to invest in bonds, unit trusts and short term deposits as stated in the Prospectus.

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

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

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the quarter ended 31 March 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Leung Fung Yat, David
Chief Financial Officer
28 April 2018