

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 Third Quarter and Nine Months ended 30 September 2016 Financial Statements Announcement

The initial public offering of shares and listing of iFAST Corporation Ltd. on the Main Board of the Singapore Exchange Securities Trading Limited was jointly sponsored by DBS Bank Ltd. and RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) as joint issue managers, bookrunners and underwriters (“Joint Issue Managers, Bookrunners and Underwriters”). The Joint Issue Managers, Bookrunners and Underwriters assume no responsibility for the contents of this announcement.

Third Quarter 2016 Financial Statements and Dividend Announcement

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

Consolidated income statement for the third quarter and nine months ended 30 September 2016

	Group			Group		
	3Q16 \$'000	3Q15 \$'000	Change %	9M16 \$'000	9M15 \$'000	Change %
Revenue	21,003	20,537	2.3	59,049	64,604	(8.6)
Commission and fee paid or payable to third party financial advisers	(10,326)	(10,397)	(0.7)	(29,336)	(33,226)	(11.7)
	10,677	10,140	5.3	29,713	31,378	(5.3)
Other income	311	291	6.9	1,413	1,108	27.5
Depreciation of plant and equipment	(391)	(251)	55.8	(1,167)	(699)	67.0
Amortisation of intangible assets	(412)	(144)	186.1	(997)	(291)	242.6
Staff costs	(4,753)	(4,519)	5.2	(14,065)	(13,037)	7.9
Other operating expenses	(3,577)	(2,670)	34.0	(10,751)	(9,050)	18.8
Results from operating activities	1,855	2,847	(34.8)	4,146	9,409	(55.9)
Finance income	184	250	(26.4)	638	543	17.5
Finance cost	- ⁽¹⁾	-	NM	(1)	-	NM
Net finance income	184	250	(26.4)	637	543	17.3
Share of result of associates, net of tax	(37)	11	NM	(88)	(15)	486.7
Profit before tax	2,002	3,108	(35.6)	4,695	9,937	(52.8)
Tax expense	(152)	(163)	(6.7)	(457)	(700)	(34.7)
Profit for the period	1,850	2,945	(37.2)	4,238	9,237	(54.1)
Profit attributable to:						
Owners of the Company	1,906	2,945	(35.3)	4,300	9,237	(53.4)
Non-controlling interests	(56)	-	NM	(62)	-	NM
Profit for the period	1,850	2,945	(37.2)	4,238	9,237	(54.1)

NM denotes not meaningful.

⁽¹⁾ 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 third quarter and nine months ended 30 September 2016

	3Q16	Group 3Q15	Change	9M16	Group 9M15	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	1,850	2,945	(37.2)	4,238	9,237	(54.1)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale financial assets	587	(946)	NM	506	(768)	NM
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(91)	(29)	213.8	(232)	(249)	(6.8)
Foreign currency translation differences for foreign operations	118	242	(51.2)	(530)	169	NM
Other comprehensive income for the period, net of tax	614	(733)	NM	(256)	(848)	(69.8)
Total comprehensive income for the period	2,464	2,212	11.4	3,982	8,389	(52.5)
Attributable to:						
Owners of the Company	2,518	2,212	13.8	4,045	8,389	(51.8)
Non-controlling interests	(54)	-	NM	(63)	-	NM
Total comprehensive income for the period	2,464	2,212	11.4	3,982	8,389	(52.5)

NM denotes not meaningful.

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

	Group			Group		
	3Q16	3Q15	Change	9M16	9M15	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Profit for the period is arrived at after charging /</u>						
<u>(crediting) the following:</u>						
Other income						
- Investment income	(300)	(205)	46.3	(796)	(871)	(8.6)
- Government grant	(4)	(2)	100.0	(216)	(101)	113.9
- Gain on acquisition of a subsidiary	-	-	NM	(262)	-	NM
- Miscellaneous income	(7)	(84)	(91.7)	(139)	(136)	2.2
	(311)	(291)	6.9	(1,413)	(1,108)	27.5
Interest income						
- from cash and cash equivalents	(82)	(110)	(25.5)	(273)	(242)	12.8
- from investment in financial assets	(102)	(140)	(27.1)	(365)	(301)	21.3
	(184)	(250)	(26.4)	(638)	(543)	17.5
Operating lease expense	1,438	1,324	8.6	4,198	3,913	7.3
Unrealised exchange (gain) / loss, net	(41)	(355)	(88.5)	309	(284)	NM
Equity-settled share-based payment transactions, included in staff costs	290	355	(18.3)	1,170	911	28.4
Equity-settled share-based payment transactions, included in commission and fee paid or payable to third party financial advisers	84	83	1.2	250	83	201.2
Gain on redemption of investment in financial assets, included in investment income	(99)	(29)	241.4	(240)	(249)	(3.6)

NM denotes not meaningful.

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

	Group		Company	
	As at 30-Sep-16 \$'000	As at 31-Dec-15 \$'000	As at 30-Sep-16 \$'000	As at 31-Dec-15 \$'000
Assets				
Plant and equipment	2,305	2,438	58	78
Intangible assets	8,687	5,163	5,779	3,882
Subsidiaries	-	-	47,997	44,292
Associates	1,892	362	2,017	400
Prepayments	300	499	-	-
Deferred tax assets	-	4	-	-
Club membership	11	11	11	11
Total non-current assets	13,195	8,477	55,862	48,663
Current tax receivable	82	58	-	-
Other investments	32,168	31,964	32,168	31,964
Trade and other receivables	20,920	19,877	1,753	1,684
Prepayments	1,276	1,384	61	160
Cash at bank and in hand	23,527	28,075	3,168	6,974
Money market funds	1,315	1,445	-	-
Total current assets	79,288	82,803	37,150	40,782
Held under trust				
Client bank accounts	135,914	114,731	-	-
Client ledger balances	(135,914)	(114,731)	-	-
	-	-	-	-
Total assets	92,483	91,280	93,012	89,445
Equity				
Share capital	64,142	62,546	64,142	62,546
Reserves	13,972	14,013	17,827	17,022
Equity attributable to owners of the Company	78,114	76,559	81,969	79,568
Non-controlling interests	200	-	-	-
Total equity	78,314	76,559	81,969	79,568
Liabilities				
Deferred tax liabilities	249	239	-	-
Finance lease liabilities	20	-	-	-
Total non-current liabilities	269	239	-	-
Trade and other payables	13,447	13,837	11,043	9,877
Finance lease liabilities	4	-	-	-
Current tax payable	449	645	-	-
Total current liabilities	13,900	14,482	11,043	9,877
Total liabilities	14,169	14,721	11,043	9,877
Total equity and liabilities	92,483	91,280	93,012	89,445

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

Amount repayable in one year or less, or on demand

	Group			
	As at 30-Sep-16 \$'000		As at 31-Dec-15 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	4	-	-	-

Amount repayable after one year

	Group			
	As at 30-Sep-16 \$'000		As at 31-Dec-15 \$'000	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	20	-	-	-

Details of any collateral

The finance lease liabilities as at 30 September 2016 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		Group	
	3Q16 \$'000	3Q15 \$'000	9M16 \$'000	9M15 \$'000
Cash flows from operating activities				
Profit for the period	1,850	2,945	4,238	9,237
Adjustments for:				
Depreciation of plant and equipment	391	251	1,167	699
Amortisation of intangible assets	412	144	997	291
Equity-settled share-based payment transactions	374	438	1,420	994
Dividend income on investment in financial assets	(181)	(171)	(526)	(607)
Gain on redemption of investment in financial assets	(99)	(29)	(240)	(249)
Changes in fair value of investment in financial assets	(12)	-	(12)	-
Share of result of associates, net of tax	37	(11)	88	15
Dividend income on investment in associates	(8)	(5)	(18)	(15)
Unrealised exchange (gain) / loss, net	(41)	(355)	309	(284)
Gain on disposal of plant and equipment	-	-	-	(1)
Gain on acquisition of a subsidiary	-	-	(262)	-
Net finance income	(184)	(250)	(637)	(543)
Tax expense	152	163	457	700
	2,691	3,120	6,981	10,237
Change in trade and other receivables	(2,792)	1,044	(1,985)	397
Change in trade and other payables	1,497	(481)	(651)	(833)
Cash generated from operations	1,396	3,683	4,345	9,801
Tax paid	(285)	(174)	(664)	(284)
Interest received	237	303	743	460
Interest paid	(1)	-	(1)	-
Net cash from operating activities	1,347	3,812	4,423	9,977
Cash flows from investing activities				
Purchase of plant and equipment	(364)	(365)	(1,056)	(759)
Purchase of intangible assets	(1,118)	(927)	(3,292)	(2,494)
Proceeds from disposal of plant and equipment	-	-	-	1
Acquisition of and additional investment in associates	(344)	-	(1,617)	-
Dividend from associate	10	10	20	19
Purchase of investment in financial assets	(9,663)	(4,467)	(26,744)	(37,914)
Proceeds from redemption of investment in financial assets	8,346	2,681	28,417	21,668
Dividends received from investment in financial assets	12	6	30	6
Acquisition of subsidiary, net of cash acquired	(91)	-	(1,104)	-
Net cash used in investing activities	(3,212)	(3,062)	(5,346)	(19,473)
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	3,116
Payment of share issuance expenses	-	(38)	-	(147)
Proceeds from exercise of share options	1,516	9	1,596	206
Purchase of treasury shares	(1,179)	-	(1,795)	-
Proceeds from shares issued to non-controlling interests of subsidiary	-	-	2,414	-
Repayment of finance lease liabilities	(1)	-	(2)	-
Dividends paid to owners of the Company	(1,789)	(1,774)	(5,524)	(5,311)
Net cash used in financing activities	(1,453)	(1,803)	(3,311)	(2,136)
Net decrease in cash and cash equivalents	(3,318)	(1,053)	(4,234)	(11,632)
Cash and cash equivalents at beginning of the period	28,097	24,572	29,520	35,388
Effect of exchange rate fluctuations on cash held	63	235	(444)	(2)
Cash and cash equivalents at end of the period	24,842	23,754	24,842	23,754

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									Non-controlling interests	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		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 January 2016	62,546	(833)	(606)	1,306	826	(4,161)	-	17,481	76,559	-	76,559
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	4,300	4,300	(62)	4,238
Other comprehensive income											
Net change in fair value of available-for-sale financial assets	-	506	-	-	-	-	-	-	506	-	506
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(232)	-	-	-	-	-	-	(232)	-	(232)
Foreign currency translation differences for foreign operations	-	-	(529)	-	-	-	-	-	(529)	(1)	(530)
Total other comprehensive income	-	274	(529)	-	-	-	-	-	(255)	(1)	(256)
Total comprehensive income for the period	-	274	(529)	-	-	-	-	4,300	4,045	(63)	3,982
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	1,596	-	-	-	-	-	-	-	1,596	-	1,596
Purchase of treasury shares	-	-	-	-	-	-	(1,883)	-	(1,883)	-	(1,883)
One-tier tax-exempt 2015 final dividend paid of 0.75 cents per share	-	-	-	-	-	-	-	(1,959)	(1,959)	-	(1,959)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	-	(1,776)	(1,776)	-	(1,776)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	-	(1,789)	(1,789)	-	(1,789)
Equity-settled share-based payment transactions	-	-	-	133	1,037	-	-	-	1,170	-	1,170
Total contributions by and distribution to owners	1,596	-	-	133	1,037	-	(1,883)	(5,524)	(4,641)	-	(4,641)
Changes in ownership interests in subsidiaries											
Issue of shares to non-controlling interests of a subsidiary	-	-	-	-	-	2,151	-	-	2,151	263	2,414
Total changes in ownership interests in subsidiaries	-	-	-	-	-	2,151	-	-	2,151	263	2,414
Total transactions with owners	1,596	-	-	133	1,037	2,151	(1,883)	(5,524)	(2,490)	263	(2,227)
At 30 September 2016	64,142	(559)	(1,135)	1,439	1,863	(2,010)	(1,883)	16,257	78,114	200	78,314

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	Non-controlling interests	Total equity
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Accumulated profits			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
At 1 January 2015	58,342	24	(682)	916	-	(4,161)	12,466	66,905	-	66,905
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	9,237	9,237	-	9,237
Other comprehensive income										
Net change in fair value of available-for-sale financial assets	-	(768)	-	-	-	-	-	(768)	-	(768)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(249)	-	-	-	-	-	(249)	-	(249)
Foreign currency translation differences for foreign operations	-	-	169	-	-	-	-	169	-	169
Total other comprehensive income	-	(1,017)	169	-	-	-	-	(848)	-	(848)
Total comprehensive income for the period	-	(1,017)	169	-	-	-	9,237	8,389	-	8,389
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share options exercised	206	-	-	-	-	-	-	206	-	206
Issue of ordinary shares	4,116	-	-	-	-	-	-	4,116	-	4,116
Share issuance expenses	(147)	-	-	-	-	-	-	(147)	-	(147)
One-tier tax-exempt 2014 final dividend paid of 0.68 cents per share	-	-	-	-	-	-	(1,768)	(1,768)	-	(1,768)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	(1,769)	(1,769)	-	(1,769)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	-	(1,774)	(1,774)	-	(1,774)
Equity-settled share-based payment transactions	-	-	-	301	610	-	-	911	-	911
Total contributions by and distribution to owners	4,175	-	-	301	610	-	(5,311)	(225)	-	(225)
Total transactions with owners	4,175	-	-	301	610	-	(5,311)	(225)	-	(225)
At 30 September 2015	62,517	(993)	(513)	1,217	610	(4,161)	16,392	75,069	-	75,069

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 2016	62,546	(833)	1,306	826	-	15,723	79,568
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	6,768	6,768
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	506	-	-	-	-	506
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(232)	-	-	-	-	(232)
Total other comprehensive income	-	274	-	-	-	-	274
Total comprehensive income for the period	-	274	-	-	-	6,768	7,042
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	1,596	-	-	-	-	-	1,596
Purchase of treasury shares	-	-	-	-	(1,883)	-	(1,883)
One-tier tax-exempt 2015 final dividend paid of 0.75 cents per share	-	-	-	-	-	(1,959)	(1,959)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,776)	(1,776)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,789)	(1,789)
Equity-settled share-based payment transactions	-	-	133	1,037	-	-	1,170
Total contributions by and distribution to owners	1,596	-	133	1,037	(1,883)	(5,524)	(4,641)
Total transactions with owners	1,596	-	133	1,037	(1,883)	(5,524)	(4,641)
At 30 September 2016	64,142	(559)	1,439	1,863	(1,883)	16,967	81,969

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 2015	58,342	24	916	-	-	18,702	77,984
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,138	3,138
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	(768)	-	-	-	-	(768)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(249)	-	-	-	-	(249)
Total other comprehensive income	-	(1,017)	-	-	-	-	(1,017)
Total comprehensive income for the period	-	(1,017)	-	-	-	3,138	2,121
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	206	-	-	-	-	-	206
Issue of ordinary shares	4,116	-	-	-	-	-	4,116
Share issuance expenses	(147)	-	-	-	-	-	(147)
One-tier tax-exempt 2014 final dividend paid of 0.68 cents per share	-	-	-	-	-	(1,768)	(1,768)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,769)	(1,769)
One-tier tax-exempt interim dividend paid of 0.68 cents per share	-	-	-	-	-	(1,774)	(1,774)
Equity-settled share-based payment transactions	-	-	301	610	-	-	911
Total contributions by and distribution to owners	4,175	-	301	610	-	(5,311)	(225)
Total transactions with owners	4,175	-	301	610	-	(5,311)	(225)
At 30 September 2015	62,517	(993)	1,217	610	-	16,529	79,880

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

The number of shares in issue in the Company as at 30 September 2016 excluding treasury shares was 262,970,615 ordinary shares (30 June 2016: 260,684,101 ordinary shares). The movements in the Company's share capital during the third quarter ended 30 September 2016 were as follows:

	Number of ordinary shares
As at 1 July 2016	260,684,101
Exercise of share options	3,643,214
Purchase of treasury shares	(1,356,700)
As at 30 September 2016	<u>262,970,615</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 1 July 2016	11,161,246
Share options granted	-
Exercised	(3,643,214)
Forfeited	(157,878)
As at 30 September 2016	<u>7,360,154</u>

As at 30 September 2016, the number of outstanding share options under the iFAST SOS was 7,360,154 (30 September 2015: 11,969,196).

iFAST Corporation Performance Share Plan ("iFAST PSP")

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

	Number of performance shares
As at 1 July 2016	3,256,500
Performance shares granted but not vested	-
Vested	-
Forfeited	(105,300)
As at 30 September 2016	<u>3,151,200</u>

As at 30 September 2016, the number of outstanding performance shares granted but not vested under the iFAST PSP was 3,151,200 (30 September 2015: 1,965,300).

Treasury shares

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

	Number of treasury shares
As at 1 July 2016	565,700
Purchased by way of on-market acquisition	1,356,700
Purchased by way of off-market acquisition	-
Re-issued	-
As at 30 September 2016	<u>1,922,400</u>

During 3Q16, the Company acquired 1,356,700 (3Q15: Nil) ordinary shares in the Company by way of on-market purchases. As at 30 September 2016, 1,922,400 (30 September 2015: Nil) 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.

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

	As at 30-Sep-16	As at 31-Dec-15
Total number of issued shares excluding treasury shares	<u>262,970,615</u>	<u>260,977,301</u>

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2016.

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 the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period 1 January 2016. The adoption of these FRSs and INT FRSs did not have any significant effect on the financial statements of the Group and the Company.

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

	3Q16	3Q15	9M16	9M15
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	263,158,803	260,873,068	261,716,025	260,258,666
Basic earnings per share (cents)	0.72	1.13	1.64	3.55
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	267,136,235	268,841,880	267,930,074	268,024,974
Diluted earnings per share (cents)	0.71	1.10	1.61	3.45

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

	Group		Company	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net asset value per ordinary share (cents)	29.70	29.34	31.17	30.49

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 reported revenue of \$21.00 million for the third quarter ended 30 September 2016 ("3Q16"), being 2.3% higher than the third quarter last year ("3Q15") and 8.4% higher than the second quarter this year ("2Q16"). The year-on-year ("YoY") and quarter-on-quarter ("QoQ") increases in 3Q16 were mainly due to the growth of the Group's business and Asset Under Administration ("AUA") in the period, which was partially contributed by the Group's ongoing efforts to broaden the range and depth of its investment products and services, and also benefiting from improved market sentiment in 3Q16.

The revenue of \$59.05 million for the financial period ended 30 September 2016 ("9M16") was 8.6% lower than the same period last year ("9M15"). The YoY decline in 9M16 was mainly due to the volatile market sentiment in the period following the stark sell-off in global financial markets at the beginning of 2016.

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's revenue. Although its revenue decreased by 7.8% YoY in 9M16, the revenue in Singapore grew 3.0% YoY in 3Q16, which was partially contributed by the significant increases in investment subscription amounts (including transfer-in amounts) in bonds and ETFs. SG launched its distribution of bonds and ETFs business in 2015.

In Malaysia, the significant growth of business and AUA contributed to the significant increase in revenue in Malaysia operation in the period. The average AUA of Malaysia operation grew 36.0% YoY in 9M16. Malaysia operation also started to distribute insurance products on its Business-to-Customer ("B2C") platform in 3Q16.

In Hong Kong, the revenue decreased by 10.1% YoY in 3Q16 and 19.2% YoY in 9M16. The decline was mainly due to the adverse impacts of the sharp sell-down in equity markets in China/Hong Kong at the beginning of 2016 and the suspension of Capital Investment Entrant Scheme ("CIES") in 2015. However, contributed partially by Hong Kong operation's ongoing efforts to broaden the range and depth of its investment products and services, the investment subscription amounts grew 51.1% QoQ in 3Q16 as compared to 2Q16 and the average AUA of Hong Kong operation grew 4.3% QoQ in 3Q16. It resulted in an increase by 6.1% QoQ in revenue in 3Q16.

Following the soft launch of our China business in March 2016, China operation has launched its platform for their customers to transact into investment products. Benefiting from transactions received from China-based investors for their investments in onshore Chinese market as well as offshore Chinese markets, China operation has contributed revenue of \$0.20 million in 3Q16 and \$0.44 million in 9M16.

	Group			Group		
	3Q16	3Q15	Change	9M16	9M15	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Singapore	15,296	14,852	3.0	42,897	46,519	(7.8)
Hong Kong	4,132	4,596	(10.1)	12,233	15,133	(19.2)
Malaysia	1,374	1,089	26.2	3,480	2,952	17.9
	20,802	20,537	1.3	58,610	64,604	(9.3)
China	201	-	NM	439	-	NM
Total revenue	21,003	20,537	2.3	59,049	64,604	(8.6)

NM denotes not meaningful.

Commission and fee paid or payable to third party financial advisers

Commission and fee paid or payable to third party financial advisers decreased by 0.7% from \$10.40 million in 3Q15 to \$10.33 million in 3Q16, which was due mainly to a decrease in commission income derived from investment subscriptions from Business-to-Business ("B2B") business in the quarter. The commission and fee paid or payable to third party financial advisers decreased by 11.7% from \$33.23 million in 9M15 to \$29.34 million in 9M16, which was due mainly to a decrease 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. Although the net revenue of \$29.71 million in 9M16 was 5.3% lower than 9M15, the net revenue of \$10.68 million in 3Q16 was 5.3% higher than 3Q15 and 10.3% higher than 2Q16.

The following table shows the breakdown of the Group's net revenue, by recurring and non-recurring basis. In 3Q16, 85.5% of net revenue is derived from recurring net revenue and 14.5% is from non-recurring net revenue. In 9M16, 86.4% of net revenue is derived from recurring net revenue and 13.6% is from non-recurring net revenue.

	Group			Group		
	3Q16	3Q15	Change	9M16	9M15	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Recurring net revenue	9,129	8,451	8.0	25,677	25,969	(1.1)
Non-recurring net revenue	1,548	1,689	(8.3)	4,036	5,409	(25.4)
Total net revenue	10,677	10,140	5.3	29,713	31,378	(5.3)

Recurring net revenue is calculated based on a percentage of average AUA of Investment Products distributed on the Group's platforms, which comprises trailer fees, platform fees and wrap fees. Although there was a YoY decrease by 1.1% in recurring net revenue in 9M16, the recurring net revenue increased by 8.0% YoY in 3Q16. It was mainly due to an increase in average AUA for both B2B business and B2C business, which benefited from global financial markets recovery after Brexit vote at end of June 2016 as well as new inflows of investments from customers in the quarter. The average AUA of the Group has a value of approximately \$5.80 billion in 3Q16 (3Q15: \$5.58 billion) at a YoY growth of 3.9%.

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 financial advisory firms; and advertising fee earned from advertisements placed by third parties on iFAST websites and mobile applications. The YoY decrease in non-recurring net revenue was due mainly to a decrease in commission income as a result of relatively weak investment appetite of customers, due to the volatile market sentiment in the period.

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

	Group			Group		
	3Q16	3Q15	Change	9M16	9M15	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Singapore	7,742	7,361	5.2	21,583	22,639	(4.7)
Hong Kong	2,257	2,281	(1.1)	6,378	7,349	(13.2)
Malaysia	627	498	25.9	1,649	1,390	18.6
	10,626	10,140	4.8	29,610	31,378	(5.6)
China	51	-	NM	103	-	NM
Total net revenue	10,677	10,140	5.3	29,713	31,378	(5.3)

NM denotes not meaningful.

Other income

Other income slightly increased by \$0.02 million or 6.9% from \$0.29 million in 3Q15 to \$0.31 million in 3Q16, due mainly to a higher investment income in the period. The other operating income increased by \$0.30 million or 27.5% from \$1.11 million in 9M15 to \$1.41 million in 9M16, largely due to a gain of \$0.26 million recognised upon completing the acquisition of a stockbroking firm in Hong Kong, iFAST Securities (HK) Limited (formerly known as Winfield Securities Limited), in 1Q16.

Operating expenses

Excluding China operation, the Group's operating expenses increased by \$0.69 million or 9.6% from \$7.27 million in 3Q15 to \$7.96 million in 3Q16, and \$1.75 million or 7.8% from \$22.39 million in 9M15 to \$24.14 million in 9M16. The increase was in line with the Group's increased efforts in enhancing our platform capabilities including improving the range of investment products and services being provided to customers in the existing markets in the period.

For our China operation, the operating expenses increased by \$0.85 million or 271.1% from \$0.32 million in 3Q15 to \$1.17 million in 3Q16, and \$2.15 million or 311.6% from \$0.69 million in 9M15 to \$2.84 million in 9M16. The increase was due mainly to our continuous efforts in building our brand and business in the new China market, including setup of a second office in Shanghai and recruitments of wealth advisers, in the period.

Overall, the Group's total operating expenses increased by \$1.55 million or 20.4% from \$7.58 million in 3Q15 to \$9.13 million in 3Q16, and \$3.90 million or 16.9% from \$23.08 million in 9M15 to \$26.98 million in 9M16. The following table shows the breakdown of the Group's operating expenses by its existing markets and new China market.

	3Q16 \$'000	Group 3Q15 \$'000	Change %	9M16 \$'000	Group 9M15 \$'000	Change %
Operating expenses (excluding China operation)	7,964	7,269	9.6	24,144	22,388	7.8
Operating expenses in China operation	1,169	315	271.1	2,836	689	311.6
Total operating expenses	9,133	7,584	20.4	26,980	23,077	16.9

Depreciation of plant and equipment increased by \$0.14 million or 55.8% from \$0.25 million in 3Q15 to \$0.39 million in 3Q16, and \$0.47 million or 67.0% from \$0.70 million in 9M15 to \$1.17 million in 9M16. Amortisation of intangible assets increased by \$0.27 million or 186.1% from \$0.14 million in 3Q15 to \$0.41 million in 3Q16, and \$0.71 million or 242.6% from \$0.29 million in 9M15 to \$1.00 million in 9M16. These were due mainly to additions of plant and equipment and intangible assets after 3Q15 to support our business expansion in the countries that the Group operates in and continuously strengthen the capabilities of financial technologies ("FinTech") on our platforms.

Staff costs increased by \$0.23 million or 5.2% from \$4.52 million in 3Q15 to \$4.75 million in 3Q16 and \$1.03 million or 7.9% from \$13.04 million in 9M15 to \$14.07 million in 9M16, due mainly to the annual salary increment adjusted in January 2016, the increased number of staff (especially in China operation) and the increased equity-settled share-based payment transactions resulting from additional batches of performance shares granted to the Group's employees in the period.

Other operating expenses increased by \$0.91 million or 34.0% from \$2.67 million in 3Q15 to \$3.58 million in 3Q16 and \$1.70 million or 18.8% from \$9.05 million in 9M15 to \$10.75 million in 9M16. The increase was due mainly to increases in IT maintenance and services as well as advertising and promotion costs in line with the Group's business expansion in the period, and also official opening of the new Shanghai office in China in 3Q16.

Finance income

Finance income decreased by \$0.07 million or 26.4% from \$0.25 million in 3Q15 to \$0.18 million in 3Q16, due mainly to lower interest rates and some redemption of investments in bond securities in the quarter. The finance income still increased by \$0.10 million or 17.5% from \$0.54 million in 9M15 to \$0.64 million in 9M16, due mainly to higher average amounts of investments in bond securities in 9M16 compared to 9M15.

Finance cost

The finance cost relates to office equipments acquired in 2Q16 under a finance lease for a period of five years.

Share of result of associates, net of tax

The Group's share of loss after tax of associates was \$0.04 million in 3Q16 compared to its share of profit after tax of associate amounting to \$0.01 million in 3Q15. The Group's share of loss after tax of associates increased by \$0.07 million from \$0.02 million in 9M15 to \$0.09 million in 9M16. These were due mainly to share of the loss of an associate, Pecuniam Pte Ltd ("Pecuniam"), acquired in 2Q16 in the period. Pecuniam 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 15.74 billion (equivalent \$322.12 million) as at 30 September 2016, growing at a 5-year compound annual growth rate ("CAGR") of approximately 71.4%.

Tax expense

Tax expense decreased by \$0.01 million or 6.7% from \$0.16 million in 3Q15 to \$0.15 million in 3Q16 and \$0.24 million or 34.7% from \$0.70 million in 9M15 to \$0.46 million in 9M16. This was due mainly to a decrease in taxable income from Singapore operation in the period. The effective tax rate remained low in the period, due mainly to continued utilisation of unabsorbed tax losses from prior years by Hong Kong and Malaysia operations and tax incentives enjoyed by Singapore operation in the period.

Net profit for the period, after non-controlling interests

Overall, the Group's net profit after tax decreased by \$1.04 million or 35.3% from \$2.95 million in 3Q15 to \$1.91 million in 3Q16 and \$4.94 million or 53.4% from \$9.24 million in 9M15 to \$4.30 million in 9M16, but increased by \$0.76 million or 66.8% QoQ in 3Q16 compared to 2Q16.

Excluding China operation, the Group's profit after tax decreased by \$0.27 million or 8.4% from \$3.24 million in 3Q15 to \$2.97 million in 3Q16 and \$2.97 million or 30.0% from \$9.89 million in 9M15 to \$6.92 million in 9M16, but increased by \$1.11 million or 59.3% QoQ in 3Q16 compared to 2Q16.

The following table shows the breakdown of the Group's net profit after tax by geographical segments.

	3Q16	Group	Change	9M16	Group	Change
	\$'000	3Q15	%	\$'000	9M15	%
		\$'000			\$'000	
Singapore	2,595	2,808	(7.6)	6,440	8,464	(23.9)
Hong Kong	275	305	(9.8)	354	1,311	(73.0)
Malaysia	137	119	15.1	217	129	68.2
Other ⁽¹⁾	(37)	11	NM	(88)	(15)	486.7
Net profit (excluding China operation)	2,970	3,243	(8.4)	6,923	9,889	(30.0)
China	(1,064)	(298)	257.0	(2,623)	(652)	302.3
Net profit (including China operation)	1,906	2,945	(35.3)	4,300	9,237	(53.4)

Notes:

(1) Referring to share of result of associates.

(2) NM denotes not meaningful.

In Singapore, while net revenue increased by 5.2% YoY in 3Q16 and decreased by 4.7% YoY in 9M16, net profit decreased by 7.6% YoY to \$2.60 million in 3Q16 and 23.9% YoY to \$6.44 million in 9M16. A drop in Singapore profitability resulted from the combined impacts of decreases in net revenue due to the negative global financial markets sentiment especially in 1H16 and increases in operating expenses due to increased efforts in enhancing platform FinTech capabilities and improving the range of investment products and services being provided to customers in the period.

The profit generated from Hong Kong operation decreased by 9.8% YoY to \$0.28 million in 3Q16, and 73.0% YoY to \$0.35 million in 9M16. The significant decline in Hong Kong profitability mainly resulted from the adverse impact of the sharp sell-down in equity markets in China/ Hong Kong at the beginning of 2016. However, contributed partially by Hong Kong operation's ongoing efforts to broaden the range and depth of its investment products and services, its net revenue grew 10.8% QoQ in 3Q16 and the net profit of Hong Kong operation grew 663.9% QoQ in 3Q16. Following the soft launch of the stockbroking platform in Hong Kong in 2Q16, the AUA of the Hong Kong stock business has grown to approximately 2.6% of the entire AUA on our Hong Kong platforms at 30 September 2016.

Benefiting from a significant increase in customer base in Malaysia operation, the business and AUA of Malaysia operation grew significantly in the period. The profit generated from Malaysia operation increased by 15.1% YoY to \$0.14 million in 3Q16 and 68.2% YoY to \$0.22 million in 9M16. Malaysia operation also started to distribute insurance products on its B2C platform in 3Q16.

The China operation is still in the start-up phase to build iFAST brand and business in this new market. The loss from China operation increased by 257.0% YoY to \$1.06 million in 3Q16, and 302.3% YoY to \$2.62 million in 9M16. By 30 September 2016, China operation has signed up more than 35 fund houses with over 1,400 funds on its platform.

Statement of Financial Position

The shareholders' equity of the Group increased to \$78.11 million as at 30 September 2016 from \$76.56 million as at 31 December 2015. This was due mainly to contribution of net profit generated in 9M16 and a gain of \$2.15 million recognised directly in equity as a result of the Group's sale of 5% stake in its China business for US\$1.75 million (approximately \$2.41 million) on 29 June 2016, partially offset by payments of dividends and purchase of treasury shares in the period.

The Group's cash position (including cash at bank and in hand, money market fund and investments in financial assets categorised under other investments) decreased to \$57.01 million as at 30 September 2016 from \$61.48 million as at 31 December 2015.

Current assets decreased to \$79.29 million as at 30 September 2016 from \$82.80 million as at 31 December 2015 due mainly to a decrease in the Group's cash position in the period.

Non-current assets increased to \$13.20 million as at 30 September 2016 from \$8.48 million as at 31 December 2015 due mainly to additions of intangible assets (including internally-developed IT software assets) in the period, acquisition of 21.47% stake in the ultimate holding company of iFAST India at \$1.27 million in 2Q16 and acquisitions of additional stakes in associates at \$0.34 million in 3Q16.

Total liabilities decreased to \$14.17 million as at 30 September 2016 from \$14.72 million as at 31 December 2015. This was due mainly to decreases in trade and other payables in the period.

Consolidated Statement of Cash Flows

Net cash from operating activities decreased from \$3.81 million in 3Q15 to \$1.35 million in 3Q16 and from \$9.98 million in 9M15 to \$4.42 million in 9M16, due mainly to lower operating profit generated in the period and changes in working capital resulting from increases in receivables in the quarter.

Net cash used in investing activities was \$3.21 million in 3Q16 compared to \$3.06 million in 3Q15, due mainly to acquisitions of additional stakes in associates at \$0.34 million in 3Q16. Net cash used in investing activities was \$5.35 million in 9M16 compared to \$19.47 million in 9M15, due mainly to lower purchase of investments in financial assets in 9M16.

Net cash used in financing activities was \$1.45 million in 3Q16 compared to \$1.80 million in 3Q15, due mainly to receipts of proceeds from exercise of share options and partially offset by purchase of treasury shares in 3Q16. Besides, net cash used in financing activities was \$3.31 million in 9M16 compared to \$2.14 million in 9M15, which was also due to the Group's sale of 5% stake in its China business for US\$1.75 million (equivalent \$2.41 million) in June 2016 while proceeds of \$3.12 million from issuance of over-allotment shares received in January 2015 in connection with the IPO in December 2014.

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.

Following a difficult 1H2016, the Group's profitability saw improvements in 3Q2016. The Group's net profit (excluding China) saw a 59.3% increase in 3Q2016 from 2Q2016 to \$2.97 million, on the back of a 10.3% sequential increase in net revenue (excluding China).

This was achieved on the back of a 6.6% quarter-on-quarter increase in Group AUA to a record of \$6.0 billion as at 30 September 2016.

Compared to the year before, the Group's net profit (excluding China) in 3Q2016 was down 8.4% as expenses (excluding China) increased 9.6% due to the Group's continued push towards broadening the range and depth of our products and services.

The Group's total net profit (including China) saw a quarter-on-quarter increase of 66.8% but a year-on-year decline of 35.3% as the Group is in the early stages of building its China business.

While the investments into China and the push towards broadening the range and depth of our products and services have affected the short term profitability of the Group, the Directors are of the view that the investments will pay off in the next few years. As it is important for the Group to maintain a healthy balance between attaining short term profitability and doing enough to ensure the long term growth of the Group, we will continue to strive to achieve this.

The Directors have proposed dividends of 0.68 cents per ordinary share for 3Q2016, in line with 1Q2016 and 2Q2016. The Directors believe that the Group has a strong balance sheet, with total cash and other investments of \$57.01 million as at 30 September 2016, and no borrowings (not counting a small finance lease liability of \$0.02 million).

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	0.68 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 17 November 2016.

(d) Books closure date

The Register of Members and Share Transfer Books of the Company will be closed on 8 November 2016 for the purpose of determining members' entitlements to the third 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 7 November 2016 will be registered to determine members' entitlement to the third 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 7 November 2016 will be entitled to the third interim dividend.

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

Not applicable.

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

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

14. Confirmation 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 30 September 2016.

	Allocation of IPO proceeds	IPO proceeds utilised as at 30 September 2016	Balance of IPO proceeds
Use of net proceeds	\$' million	\$' million	\$' million
Mergers and acquisitions strategy	27.2	4.5	22.7
Expansion of our business in the Chinese market	7.0	3.3	3.7
Enhancement of our product capabilities, IT and services	8.0	5.3	2.7
Working capital purposes	5.8	4.0 ⁽²⁾	1.8
Net Proceeds	48.0 ⁽¹⁾	17.1	30.9

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 \$4.0 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 \$30.9 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 third quarter and nine months ended 30 September 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Leung Fung Yat, David
Chief Financial Officer
28 October 2016