

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 2021
Financial Statements Announcement**

First Quarter 2021 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 2021

| | 1Q21 \$'000 | Group 1Q20 \$'000 | Change % |
|--|----------------|-------------------------|--------------|
| Revenue | 55,336 | 38,478 | 43.8 |
| Commission and fee paid or payable to financial advisers and securities brokerage expense | (26,840) | (19,658) | 36.5 |
| | 28,496 | 18,820 | 51.4 |
| Other income | 955 | 560 | 70.5 |
| Depreciation of plant and equipment | (566) | (523) | 8.2 |
| Depreciation of right-of-use assets | (1,821) | (1,636) | 11.3 |
| Amortisation of intangible assets | (2,020) | (1,549) | 30.4 |
| Staff costs | (10,875) | (8,005) | 35.9 |
| Other operating expenses | (3,850) | (3,380) | 13.9 |
| Results from operating activities | 10,319 | 4,287 | 140.7 |
| Finance income | 194 | 365 | (46.8) |
| Finance costs | (169) | (197) | (14.2) |
| Net finance income | 25 | 168 | (85.1) |
| Share of results of associates, net of tax | (43) | (71) | (39.4) |
| Profit before tax | 10,301 | 4,384 | 135.0 |
| Tax expense | (1,541) | (789) | 95.3 |
| Profit for the period | 8,760 | 3,595 | 143.7 |
| Profit attributable to: | | | |
| Owners of the Company | 8,815 | 3,635 | 142.5 |
| Non-controlling interests | (55) | (40) | 37.5 |
| Profit for the period | 8,760 | 3,595 | 143.7 |

NM denotes not meaningful.

FVOCI denotes fair value through other comprehensive income.

FVTPL denotes fair value through profit or loss.

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

Consolidated statement of comprehensive income for the first quarter ended 31 March 2021

| | 1Q21 \$'000 | Group 1Q20 \$'000 | Change % |
|--|---------------------|-------------------------|---------------------|
| Profit for the period | 8,760 | 3,595 | 143.7 |
| Other comprehensive income | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Net change in fair value of financial assets-debt investments at FVOCI | (4) | (8) | (50.0) |
| Foreign currency translation differences for foreign operations | 305 | 1,418 | (78.5) |
| Share of other comprehensive income of associates | 10 | 6 | 66.7 |
| | <u>311</u> | <u>1,416</u> | <u>(78.0)</u> |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Net change in fair value of financial assets-equity investments at FVOCI | (193) | (1,228) | (84.3) |
| | <u>(193)</u> | <u>(1,228)</u> | <u>(84.3)</u> |
| Other comprehensive income for the period, net of tax | <u>118</u> | <u>188</u> | <u>(37.2)</u> |
| Total comprehensive income for the period | <u>8,878</u> | <u>3,783</u> | <u>134.7</u> |
| Attributable to: | | | |
| Owners of the Company | 8,929 | 3,823 | 133.6 |
| Non-controlling interests | (51) | (40) | 27.5 |
| Total comprehensive income for the period | <u>8,878</u> | <u>3,783</u> | <u>134.7</u> |

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

| | Group | | |
|--|--------|--------|--------|
| | 1Q21 | 1Q20 | Change |
| | \$'000 | \$'000 | % |
| <u>Profit for the period is arrived at after charging / (crediting) the following:</u> | | | |
| Other income | | | |
| - Net investment (income) / loss | (384) | 101 | NM |
| - Government grant | (558) | (646) | (13.6) |
| - Miscellaneous income | (13) | (15) | (13.3) |
| | (955) | (560) | 70.5 |
| Finance income | | | |
| - Interest income from cash and cash equivalents | (43) | (51) | (15.7) |
| - Interest income from clients trade settlement bank accounts | (144) | (310) | (53.5) |
| - Interest income from investment in financial assets | (2) | (2) | - |
| - Interest income from receivables | (5) | (2) | 150.0 |
| | (194) | (365) | (46.8) |
| Finance costs | | | |
| - Interest expense on bank loans | 1 | 22 | (95.5) |
| - Interest expense on lease liabilities | 168 | 175 | (4.0) |
| | 169 | 197 | (14.2) |
| Lease expense | 10 | 10 | - |
| Foreign exchange gain, net | (12) | (151) | (92.1) |
| Equity-settled share-based payment transactions, included in staff costs | 1,052 | 690 | 52.5 |
| Equity-settled share-based payment transactions, included in other operating expenses | 62 | 23 | 169.6 |
| Dividend income on investment in financial assets at FVOCI, included in investment income | (128) | (145) | (11.7) |
| Net (gain) / loss on investment in financial assets at FVTPL, included in investment income | (247) | 255 | NM |
| Dividend income on investment in associates | (9) | (9) | - |

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-21 \$'000 | 31-Dec-20 \$'000 | 31-Mar-21 \$'000 | 31-Dec-20 \$'000 |
| Assets | | | | |
| Plant and equipment | 4,309 | 4,283 | 134 | 122 |
| Right-of-use assets | 16,859 | 18,538 | 6,739 | 7,571 |
| Intangible assets and goodwill | 25,057 | 25,500 | 20,965 | 21,662 |
| Subsidiaries | - | - | 54,342 | 53,623 |
| Associates | 6,324 | 5,982 | 6,747 | 6,372 |
| Other investments | 4,002 | 3,944 | 1,840 | 1,840 |
| Deferred tax assets | 1,171 | 1,099 | - | - |
| Prepayments and others | 225 | 330 | 11 | 11 |
| Total non-current assets | 57,947 | 59,676 | 90,778 | 91,201 |
| Current tax receivable | 68 | 203 | - | - |
| Other investments | 19,863 | 16,838 | 17,325 | 15,811 |
| Prepayments and others | 2,503 | 1,813 | 181 | 60 |
| Trade and other receivables | 47,569 | 44,990 | 27,084 | 24,819 |
| Uncompleted contracts - buyers | 87,414 | 94,318 | - | - |
| Money market funds | 4,691 | 4,833 | - | - |
| Cash at bank and in hand | 33,877 | 31,608 | 3,042 | 5,259 |
| Total current assets | 195,985 | 194,603 | 47,632 | 45,949 |
| Total assets | 253,932 | 254,279 | 138,410 | 137,150 |
| Equity | | | | |
| Share capital | 67,256 | 66,976 | 67,256 | 66,976 |
| Reserves | 47,128 | 37,133 | 23,607 | 24,072 |
| Equity attributable to owners of the Company | 114,384 | 104,109 | 90,863 | 91,048 |
| Non-controlling interests | (760) | (709) | - | - |
| Total equity | 113,624 | 103,400 | 90,863 | 91,048 |
| Liabilities | | | | |
| Deferred tax liabilities | 2,583 | 2,616 | 1,847 | 1,902 |
| Lease liabilities | 10,530 | 12,013 | 3,431 | 4,149 |
| Total non-current liabilities | 13,113 | 14,629 | 5,278 | 6,051 |
| Current tax payables | 3,949 | 3,078 | - | - |
| Lease liabilities | 7,162 | 7,205 | 3,283 | 3,268 |
| Bank loans | - | - | - | - |
| Trade and other payables | 28,720 | 31,735 | 38,986 | 36,783 |
| Uncompleted contracts - sellers | 87,364 | 94,232 | - | - |
| Total current liabilities | 127,195 | 136,250 | 42,269 | 40,051 |
| Total liabilities | 140,308 | 150,879 | 47,547 | 46,102 |
| Total equity and liabilities | 253,932 | 254,279 | 138,410 | 137,150 |
| Held under trust | | | | |
| Client bank accounts | 1,053,917 | 943,960 | - | - |
| Client ledger balances | (1,053,917) | (943,960) | - | - |
| | - | - | - | - |

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

Amount repayable in one year or less, or on demand

| | As at | | As at | |
|------------|-----------|-----------|-----------|-----------|
| | 31-Mar-21 | | 31-Dec-20 | |
| | \$'000 | | \$'000 | |
| | Secured | Unsecured | Secured | Unsecured |
| Bank loans | - | - | - | - |
| | - | - | - | - |

The Group uses its revolving bank loan facilities to facilitate its cash management from time to time. The revolving bank loans bore interest at rates ranging from 1.51% to 1.58% (2020: 1.30% to 2.72%) per annum in the period. The revolving bank loans drawn down in 1Q21 were fully repaid within the period.

Amount repayable after one year

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

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

| | Group | |
|---|----------------|-----------------|
| | 1Q21 \$'000 | 1Q20 \$'000 |
| Cash flows from operating activities | | |
| Profit for the period | 8,760 | 3,595 |
| Adjustments for: | | |
| Depreciation of plant and equipment | 566 | 523 |
| Depreciation of right-of-use assets | 1,821 | 1,636 |
| Amortisation of intangible assets | 2,020 | 1,549 |
| Equity-settled share-based payment transactions | 1,114 | 713 |
| Dividend income on investment in financial assets at FVOCI | (128) | (145) |
| Net (gain) / loss on investment in financial assets at FVTPL | (247) | 255 |
| Dividend income on investment in associates | (9) | (9) |
| Share of results of associates, net of tax | 43 | 71 |
| Foreign exchange gain, net | (12) | (151) |
| Net finance income | (25) | (168) |
| Tax expense | 1,541 | 789 |
| | 15,444 | 8,658 |
| Change in uncompleted contracts and trade and other receivables | 5,596 | (44,142) |
| Change in uncompleted contracts and trade and other payables | (7,852) | 43,705 |
| Cash generated from operations | 13,188 | 8,221 |
| Tax paid | (621) | (381) |
| Interest received | 194 | 365 |
| Interest paid on bank loans | (1) | - |
| Interest paid on lease liabilities | (168) | (175) |
| Net cash from operating activities | 12,592 | 8,030 |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | (586) | (641) |
| Purchase of intangible assets | (4,753) | (4,556) |
| Additional investment in associates | (375) | (613) |
| Dividend from associates | 18 | 18 |
| Purchase of investment in financial assets | (40,280) | (32,427) |
| Proceeds from redemption of investment in financial assets | 36,751 | 27,898 |
| Dividends received from investment in financial assets at FVOCI | 1 | 1 |
| Net cash used in investing activities | (9,224) | (10,320) |
| Cash flows from financing activities | | |
| Proceeds from exercise of share options | 280 | 146 |
| Purchase of treasury shares | - | (279) |
| Drawdown of bank loans | 5,000 | - |
| Repayment of bank loans | (5,000) | - |
| Principal element of lease payments | (1,681) | (1,607) |
| Net cash used in financing activities | (1,401) | (1,740) |
| Net increase / (decrease) in cash and cash equivalents | 1,967 | (4,030) |
| Cash and cash equivalents at beginning of the period | 36,441 | 24,811 |
| Effect of exchange rate fluctuations on cash held | 160 | 895 |
| Cash and cash equivalents at end of the period | 38,568 | 21,676 |

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 |
| | 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 2021 | 66,976 | (2,873) | (1,927) | 2,825 | 7,058 | (2,010) | (357) | 34,417 | 104,109 | (709) | 103,400 |
| Total comprehensive income for the period | | | | | | | | | | | |
| Profit / (Loss) for the period | - | - | - | - | - | - | - | 8,815 | 8,815 | (55) | 8,760 |
| Other comprehensive income | | | | | | | | | | | |
| Net change in fair value of financial assets at FVOCI | - | (201) | - | - | - | - | - | - | (201) | 4 | (197) |
| Net change in fair value on disposal of financial assets at FVOCI transferred between reserves | - | 1 | - | - | - | - | - | (1) | - | - | - |
| Foreign currency translation differences for foreign operations | - | - | 305 | - | - | - | - | - | 305 | (1) | 305 |
| Share of other comprehensive income of associates | - | (1) | 10 | - | - | - | - | - | 10 | - | 10 |
| Total other comprehensive income | - | (200) | 315 | - | - | - | - | (1) | 114 | 4 | 118 |
| Total comprehensive income for the period | - | (200) | 315 | - | - | - | - | 8,814 | 8,929 | (51) | 8,878 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | | |
| Share options exercised | 280 | - | - | - | - | - | - | - | 280 | - | 280 |
| Equity-settled share-based payment transactions | - | - | - | 72 | 994 | - | - | - | 1,066 | - | 1,066 |
| Total contributions by and distribution to owners | 280 | - | - | 72 | 994 | - | - | - | 1,346 | - | 1,346 |
| Total transactions with owners | 280 | - | - | 72 | 994 | - | - | - | 1,346 | - | 1,346 |
| At 31 March 2021 | 67,256 | (3,073) | (1,612) | 2,897 | 8,052 | (2,010) | (357) | 43,231 | 114,384 | (760) | 113,624 |

(1) Amount less than \$1,000

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

| | Group | | | | | | | | | | |
|---|---------------------------------------|------------------------------|--|--------------------------------|-------------------------------------|--------------------------|----------------------------------|-------------------------------|-----------------|-------------------------------------|------------------------|
| | Attributable to owners of the Company | | | | | | | | | | Total equity \$'000 |
| | Share capital \$'000 | Fair value reserve \$'000 | Foreign currency translation reserve \$'000 | Share option reserve \$'000 | Performance share reserve \$'000 | Equity reserve \$'000 | Reserve for own shares \$'000 | Accumulated profits \$'000 | Total \$'000 | Non-controlling interests \$'000 | |
| At 1 January 2020 | 66,180 | (1,134) | (1,453) | 2,549 | 4,257 | (2,010) | (199) | 21,867 | 90,057 | (421) | |
| Total comprehensive income for the period | | | | | | | | | | | |
| Profit / (Loss) for the period | - | - | - | - | - | - | - | 3,635 | 3,635 | (40) | 3,595 |
| Other comprehensive income | | | | | | | | | | | |
| Net change in fair value of financial assets at FVOCI | - | (1,233) | - | - | - | - | - | - | (1,233) | (3) | (1,236) |
| Foreign currency translation differences for foreign operations | - | - | 1,418 | - | - | - | - | - | 1,418 | - | 1,418 |
| Share of other comprehensive income of associates | - | (1) | 3 | - | - | - | - | - | 3 | 3 | 6 |
| Total other comprehensive income | - | (1,233) | 1,421 | - | - | - | - | - | 188 | - | 188 |
| Total comprehensive income for the period | - | (1,233) | 1,421 | - | - | - | - | 3,635 | 3,823 | (40) | 3,783 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | | |
| Share options exercised | 146 | - | - | - | - | - | - | - | 146 | - | 146 |
| Purchase of treasury shares | - | - | - | - | - | - | (279) | - | (279) | - | (279) |
| Equity-settled share-based payment transactions | - | - | - | 93 | 597 | - | - | - | 690 | - | 690 |
| Total contributions by and distribution to owners | 146 | - | - | 93 | 597 | - | (279) | - | 557 | - | 557 |
| Total transactions with owners | 146 | - | - | 93 | 597 | - | (279) | - | 557 | - | 557 |
| At 31 March 2020 | 66,326 | (2,367) | (32) | 2,642 | 4,854 | (2,010) | (478) | 25,502 | 94,437 | (461) | 93,976 |

(1) Amount less than \$1,000

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

| | Company | | | | | | |
|--|---------------------------------------|--------------------|----------------------|---------------------------|------------------------|---------------------|----------------|
| | Attributable to owners of the Company | | | | | | Total equity |
| | Share capital | Fair value reserve | Share option reserve | Performance share reserve | Reserve for own shares | Accumulated profits | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| At 1 January 2021 | 66,976 | (939) | 1,718 | 7,058 | (357) | 16,592 | 91,048 |
| Total comprehensive income for the period | | | | | | | |
| Loss for the period | - | - | - | - | - | (1,232) | (1,232) |
| Other comprehensive income | | | | | | | |
| Net change in fair value of financial assets at FVOCI | - | (256) | - | - | - | - | (256) |
| Net change in fair value on disposal of financial assets at FVOCI transferred between reserves | - | 1 | - | - | - | (1) | - |
| Total other comprehensive income | - | (255) | - | - | - | (1) | (256) |
| Total comprehensive income for the period | - | (255) | - | - | - | (1,233) | (1,488) |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Share options exercised | 280 | - | - | - | - | - | 280 |
| Equity-settled share-based payment transactions | - | - | 29 | 994 | - | - | 1,023 |
| Total contributions by and distribution to owners | 280 | - | 29 | 994 | - | - | 1,303 |
| Total transactions with owners | 280 | - | 29 | 994 | - | - | 1,303 |
| At 31 March 2021 | 67,256 | (1,194) | 1,747 | 8,052 | (357) | 15,359 | 90,863 |

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

| | Company | | | | | | |
|--|---------------------------------------|--------------------|----------------------|---------------------------|------------------------|---------------------|----------------|
| | Attributable to owners of the Company | | | | | | Total equity |
| | Share capital | Fair value reserve | Share option reserve | Performance share reserve | Reserve for own shares | Accumulated profits | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| At 1 January 2020 | 66,180 | (1,132) | 1,613 | 4,257 | (199) | 14,830 | 85,549 |
| Total comprehensive income for the period | | | | | | | |
| Loss for the period | - | - | - | - | - | (911) | (911) |
| Other comprehensive income | | | | | | | |
| Net change in fair value of financial assets at FVOCI | - | (1,167) | - | - | - | - | (1,167) |
| Total other comprehensive income | - | (1,167) | - | - | - | - | (1,167) |
| Total comprehensive income for the period | - | (1,167) | - | - | - | (911) | (2,078) |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Share options exercised | 146 | - | - | - | - | - | 146 |
| Purchase of treasury shares | - | - | - | - | (279) | - | (279) |
| Equity-settled share-based payment transactions | - | - | 20 | 597 | - | - | 617 |
| Total contributions by and distribution to owners | 146 | - | 20 | 597 | (279) | - | 484 |
| Total transactions with owners | 146 | - | 20 | 597 | (279) | - | 484 |
| At 31 March 2020 | 66,326 | (2,299) | 1,633 | 4,854 | (478) | 13,919 | 83,955 |

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

The number of shares in issue in the Company as at 31 March 2021 excluding treasury shares and subsidiary holdings was 276,078,813 ordinary shares (31 December 2020: 272,407,635 ordinary shares). The movements in the Company's share capital during the first quarter ended 31 March 2021 were as follows:

| | Number of ordinary shares |
|-------------------------------|--------------------------------------|
| As at 31 December 2020 | 272,407,635 |
| Exercise of share options | 511,378 |
| Vesting of performance shares | 3,159,800 |
| Purchase of treasury shares | - |
| Re-issue of treasury shares | - |
| As at 31 March 2021 | <u><u>276,078,813</u></u> |

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

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

| | Number of share options |
|------------------------|------------------------------------|
| As at 31 December 2020 | 4,470,584 |
| Share options granted | - |
| Exercised | (511,378) |
| Forfeited | - |
| As at 31 March 2021 | <u><u>3,959,206</u></u> |

As at 31 March 2021, the number of outstanding share options under the iFAST ESOS was 3,959,206 (31 March 2020: 4,438,312).

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 2020 | 10,506,600 |
| Performance shares granted but not vested | 1,894,000 |
| Vested | (3,159,800) |
| Forfeited | (41,500) |
| As at 31 March 2021 | <u>9,199,300</u> |

As at 31 March 2021, the number of outstanding performance shares granted but not vested under the iFAST PSP was 9,199,300 (31 March 2020: 6,387,800).

Treasury shares and subsidiary holdings

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

| | Number of treasury shares |
|--|---------------------------|
| As at 31 December 2020 | 436,100 |
| Purchased by way of on-market acquisition | - |
| Purchased by way of off-market acquisition | - |
| Re-issued | - |
| As at 31 March 2021 | <u>436,100</u> |

As at 31 March 2021, 436,100 (31 March 2020: 574,100) treasury shares were held by the Company that may be re-issued upon the exercise of share options under the iFAST ESOS and upon the vesting of performance shares under the iFAST PSP or for other uses pursuant to the Share Buy Back Mandate of the Company renewed at the Annual General Meeting held on 27 April 2020.

The Company has no subsidiary holdings as at 31 March 2021 and 31 March 2020.

As at 31 March 2021, the treasury shares held by the Company represented 0.2% (31 March 2020: 0.2%) of the total number of issued shares excluding treasury shares and subsidiary holdings.

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

| | As at 31-Mar-21 | As at 31-Dec-20 |
|---|--------------------|--------------------|
| Total number of issued shares excluding treasury shares and subsidiary holdings | <u>276,078,813</u> | <u>272,407,635</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.

There were no sales, transfer, cancellation and/or use of treasury shares during the first quarter ended 31 March 2021.

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 2021.

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

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

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

Not applicable.

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

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

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

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

Not applicable.

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

The financial information have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") including *SFRS(I) 1-34 Interim Financial Reporting*, and 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 SFRS(I)s, and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2021. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

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

| | 1Q21 | 1Q20 |
|--|-------------|-------------|
| (i) Based on weighted average number of ordinary shares on issue | | |
| - Weighted average number of ordinary shares | 273,761,821 | 269,264,107 |
| Basic earnings per share (cents) | 3.22 | 1.35 |
| (ii) On a fully diluted basis of ordinary shares | | |
| - Adjusted weighted average number of ordinary shares | 285,745,106 | 275,160,811 |
| Diluted earnings per share (cents) | 3.09 | 1.32 |

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-21 | 31-Dec-20 | 31-Mar-21 | 31-Dec-20 |
| Net asset value per ordinary share (cents) | 41.43 | 38.22 | 32.91 | 33.42 |

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 global financial markets advanced in the first quarter of 2021 ("1Q21") and the MSCI World Index grew 4.9% quarter-on-quarter ("QoQ") in 1Q21. The Group's assets under administration ("AUA") grew 11.5% QoQ and 68.9% year-on-year ("YoY") to another record high level of \$16.11 billion as at 31 March 2021.

Besides positive market sentiment in the quarter, the strong growth in the Group's AUA was on the back of significant net inflows of client assets into the Group's platforms during the quarter. This benefits from the Group's continuous efforts in improving the range and depths of products and services brought to clients and business partners in recent years. Net inflows in client assets registered a new quarterly record of \$1.28 billion in 1Q21, representing 77.1% of an increase in AUA from \$14.45 billion at the beginning of the quarter to \$16.11 billion at the end of the quarter.

As a result, the Group's revenue reached another quarterly record of \$55.34 million with a YoY growth of 43.8% in 1Q21. The following table shows the breakdown of the Group's revenue by two main business divisions, namely Business-to-Customer ("B2C") and Business-to-Business ("B2B").

| | 1Q21 \$'000 | Group 1Q20 \$'000 | Change % |
|-------------------------------|----------------|-------------------------|-------------|
| Business-to-Customer business | 13,206 | 6,778 | 94.8 |
| Business-to-Business business | 42,130 | 31,700 | 32.9 |
| Total revenue | 55,336 | 38,478 | 43.8 |

For B2C division, its revenue was up 94.8% YoY in 1Q21. This was due mainly to significant increases in transaction fees resulting from increased investment subscription from customers in exchange-traded funds (“ETFs”) and stocks, service fees arising from the provision of currency conversion administration services resulting from higher clients’ trading volume of ETFs and stocks listed on foreign exchanges, and recurring fee income arising from higher AUA contributed by significant net inflows from clients in unit trusts (“UTs”) over the period. The Group’s average AUA of B2C division grew 75.7% YoY in 1Q21.

For B2B division, its revenue was up 32.9% YoY in 1Q21. Besides increases in transaction fees resulting from increased investment subscription from customers in ETFs and stocks, the trade volume of customers’ investment subscription in UTs and portfolio services grew more significantly in the quarter. In 1Q21, approximately 71% of net inflows from B2B clients came from UTs. In addition, the newer wealth adviser business unit of iFAST Global Markets (“IGM”) under the B2B division continues to show encouraging growth in the quarter. In 1Q21, approximately 37% of net inflows of client assets in B2B division came from the IGM business unit. The AUA from the IGM business unit grew 140.9% YoY to approximately \$1.5 billion as at 31 March 2021. The Group’s average AUA of B2B division grew 44.8% YoY in 1Q21.

Commission and fee paid or payable to financial advisers and securities brokerage expense

Securities brokerage expense refers to brokerage fee paid to third party brokers for execution of clients’ trade in securities listed on overseas exchanges of which the Group is not a member.

For B2B division, a substantial portion of front-end commission income and advisory fee from B2B customers is payable to financial advisers.

Commission and fee paid or payable to financial advisers and securities brokerage expense increased by 36.5% from \$19.66 million in 1Q20 to \$26.84 million in 1Q21. These were due mainly to significant increases in clients’ trade volume in ETFs and stocks from both B2C and B2B businesses, and commission income from UT business including portfolio services in B2B division in the period.

Net revenue

Net revenue represents revenue earned by the Group after commission and fee paid or payable to financial advisers and securities brokerage expense. The Group’s net revenue of \$28.50 million in 1Q21 was 51.4% higher than 1Q20 with the breakdown by business divisions as follows.

| | 1Q21 \$'000 | Group 1Q20 \$'000 | Change % |
|-------------------------------|----------------|-------------------------|-------------|
| Business-to-Customer business | 12,489 | 6,571 | 90.1 |
| Business-to-Business business | 16,007 | 12,249 | 30.7 |
| Total net revenue | 28,496 | 18,820 | 51.4 |

The following table shows the breakdown of the Group’s net revenue, by recurring and non-recurring basis. The Group’s business model gives a stream of reliable recurring revenue which is based on AUA.

| | Group | | |
|---------------------------|---------------|---------------|---------------|
| | 1Q21 | 1Q20 | Change |
| | \$'000 | \$'000 | % |
| Recurring net revenue | 18,117 | 13,989 | 29.5 |
| Non-recurring net revenue | 10,379 | 4,831 | 114.8 |
| Total net revenue | <u>28,496</u> | <u>18,820</u> | <u>51.4</u> |

Recurring net revenue is usually calculated based on a percentage of average AUA of investment products distributed on the Group's platforms, and mainly comprises trailer fees, platform fees, wrap fees and net interest income arising from clients' AUA. The YoY increase in recurring net revenue in 1Q21 was due mainly to an increase in average AUA for both B2B business and B2C business in the quarter, which substantially benefited from new inflows of investments from customers over the period. The total inflows of customer investments, net of outflows of customer investments, were \$1.28 billion in 1Q21, pushing the Group's AUA to a record high of \$16.11 billion as at 31 March 2021.

Non-recurring revenue mainly comprises commission income derived from investment subscription via front-end load commission or transaction processing fee; service fee arising from the provision of currency conversion administration services to customers and the provision of administration services to financial advisory firms; brokerage service fee from arranging for insurance policies, advertising fee earned from advertisements placed by third parties on iFAST websites and mobile applications; and IT solution fee from provision of IT Fintech solutions to business partners. The increase in non-recurring net revenue in 1Q21 was due mainly to an increase in financial institution clients' investment subscription in UTs including portfolio services, the significant growth of business in ETFs and stocks and the resulted increase in service fee arising from the currency conversion administration services provided to customers, and an increase in IT solution fee from provision of IT Fintech solutions to business partners in the period.

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

| | Group | | |
|-------------------|---------------|---------------|---------------|
| | 1Q21 | 1Q20 | Change |
| | \$'000 | \$'000 | % |
| Singapore | 19,172 | 12,190 | 57.3 |
| Hong Kong | 5,201 | 4,819 | 7.9 |
| Malaysia | 3,383 | 1,552 | 118.0 |
| China | 740 | 259 | 185.7 |
| Total net revenue | <u>28,496</u> | <u>18,820</u> | <u>51.4</u> |

Breaking down by geographical segment, Singapore operation is still the major contributor of the Group's net revenue. Singapore operation continues the strong momentum from 2020, resulting from our continuous investments in building up a strong integrated digital wealth management platform in recent years. The broadened range and depth of services we provide attract new customers in the market. The number of accounts opened hit a new record high in 1Q21. The B2C clients' investment trading volume in listed stocks and ETFs continued to increase significantly in 1Q21. Although the stock brokerage business of our B2B division is still relatively small, the B2B clients' investment trading volume in listed stocks in 1Q21 increased more than six times compared to 1Q20, contributed by some financial institutional clients having been onboarding in recent quarters. In addition, the newer wealth adviser business unit, iFAST Global Markets ("IGM") under the B2B division, continuously showed encouraging growth in 1Q21. The AUA of IGM grew 144.1% YoY as at 31 March 2021. The average AUA of Singapore operation grew 62.5% YoY to \$10.60 billion in 1Q21, and the net revenue in Singapore operation grew 57.3% YoY in 1Q21.

In Hong Kong, although its financial market was relatively volatile during the quarter, the Hong Kong operation has still seen significant net inflows from customers especially in UTs. The clients' investment subscriptions in UTs grew 48.5% YoY in 1Q21, and the clients' investment trading volume in ETFs and stocks continued to increase in the quarter. However, due to the lower interest rate environment in the market, the net interest income arising from clients' AUA decreased in the quarter. This led to a slower growth in net revenue in 1Q21. The average AUA of Hong Kong operation grew 20.6% YoY to \$2.77 billion in 1Q21, and the net revenue in Hong Kong operation grew 7.9% YoY in 1Q21. Excluding the impact of interest income arising from clients' AUA, the net revenue in Hong Kong operation grew 17.9% YoY in the quarter.

In Malaysia, both B2B and B2C divisions continued their good business momentum in 1Q21. The clients' investment subscriptions in UTs grew 56.4% QoQ and 141.0% YoY in the quarter. Further, B2C division saw a strong pick up in portfolio services business while B2B division saw strong turnover for bonds in 1Q21. In addition, the FinTech division contributed significantly in the quarter, and increasing demands for digital solutions have been seen in the market. Our Malaysia operation also launched its stock brokerage business on FSMOne.com platform of B2C division before end of March 2021, and we have seen strong numbers in Central Depository System ("CDS") account openings by both new and current FSMOne clients. The average AUA of Malaysia operation grew 63.1% YoY to \$1.43 billion in 1Q21, and the net revenue in Malaysia operation grew 118.0% YoY in 1Q21.

In 1Q21, the sales of China operation grew strongly in first two months and tapered down slightly in March 2021 due to the uncertainty in the China equity market. The amounts of customers' investment subscription in UTs increased 352.8% YoY in 1Q21. Our iFAST private fund management business in China has launched its first private fund and successfully lodged the fund with Asset Management Association of China in the quarter. As at 31 March 2021, the AUA of China operation grew 220.8% YoY to RMB 1.89 billion (equivalent to approximately S\$ 383 million). The net revenue in China operation grew 185.7% YoY in 1Q21.

Other income

Other income increased by \$0.40 million or 70.5% from \$0.56 million in 1Q20 to \$0.96 million in 1Q21, due mainly to some investment income gained from investments in financial assets at FVTPL resulting from the improved market sentiment in 1Q21 as compared to some market loss booked on these investments resulting from the significant decline in global financial markets caused by the outbreak of Covid-19 in 1Q20.

Operating expenses

Overall, the Group's total operating expenses increased by \$4.04 million or 26.8% from \$15.09 million in 1Q20 to \$19.13 million in 1Q21, in line with the Group's increased efforts in enhancing its platform capabilities including improving the range and depths of investment products and services being provided to customers in the existing markets including China market over the period so as to strengthen the Fintech Ecosystem of the Group and further scale up the businesses of the Group continuously.

Depreciation of plant and equipment increased by \$0.05 million or 8.2% from \$0.52 million in 1Q20 to \$0.57 million in 1Q21. Amortisation of intangible assets increased by \$0.47 million or 30.4% from \$1.55 million in 1Q20 to \$2.02 million in 1Q21. 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 as well as the Fintech Ecosystem of the Group.

Depreciation of right-of-use assets increased by \$0.18 million or 11.3% from \$1.64 million in 1Q20 to \$1.82 million in 1Q21. It was due to higher carrying amount of right-of-use assets in 1Q21 as compared to 1Q20, mainly resulting from the renewal of Singapore office lease in 2Q20 for next three years.

Staff costs increased by \$2.87 million or 35.9% from \$8.01 million in 1Q20 to \$10.88 million in 1Q21, due mainly to the annual salary increment adjusted in January 2021, increased number of staff over the period, the increased equity-settled share-based payment transactions resulting from another batch of performance shares granted to the Group's employees and higher staff bonus accrued in line with higher business performance achieved in the quarter. In addition, the Group continues to create new positions and hiring for new businesses the Group is planning.

Other operating expenses increased by \$0.47 million or 13.9% from \$3.38 million in 1Q20 to \$3.85 million in 1Q21. This was due mainly to increases in bank charges and custodian service charges in line with an increase in revenue in 1Q21 and increased spending in IT and related technology security services in the quarter to support the continual growth of the Group's business ahead.

Net finance income

Finance income decreased by \$0.18 million or 46.8% from \$0.37 million in 1Q20 to \$0.19 million in 1Q21, due mainly to lower interest income from cash and cash equivalents and clients trade settlement bank accounts due to the lower interest rate environment in the period.

Finance costs decreased by \$0.03 million or 14.2% from \$0.20 million in 1Q20 to \$0.17 million in 1Q21, due mainly to a decrease in interest expense on bank loans in line with the lower borrowing amount over the period.

Overall, net finance income decreased by \$0.14 million or 85.1% from \$0.17 million in 1Q20 to \$0.03 million in 1Q21.

Share of results of associates, net of tax

The Group's share of results after tax of associates comprised share of results of associates, namely Providend Holding Pte Ltd ("Providend"), iFAST India Holdings Pte Ltd and Raffles Family Office China Ltd ("Raffles China"), which has started its operation from June 2020, in the quarter.

The share of loss after tax of associates decreased by \$0.03 million or 39.4% from \$0.07 million in 1Q20 to \$0.04 million in 1Q21, due mainly to improved business performance achieved by Providend in the quarter, which was partially offset by an increase in share of loss in iFAST India Holdings Pte Ltd resulting from an increase in the Group's stake in iFAST India Holdings Pte Ltd over the period and the share of some operating loss of Raffles China in 1Q21.

There was no significant YoY change in the results of iFAST India Holdings Pte Ltd in the period. iFAST India Holdings Pte Ltd is an ultimate holding company of iFAST Financial India Pvt Ltd ("iFAST India"), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. iFAST India had a AUA of Indian Rupee 27.54 billion (equivalent to \$505 million) as at 31 March 2021, growing at a 5-year compound annual growth rate ("CAGR") of approximately 18%. The Group's effective shareholding in iFAST India has been increased from 38.0% as at 31 March 2020 to 39.4% as at 31 March 2021, following some additional investments in India business over the period.

Profit for the period, after non-controlling interests

The following table shows the breakdown of the Group's profit for the period by geographical segments.

| | Group | | |
|-------------------------------------|----------------|----------------|-------------|
| | 1Q21 \$'000 | 1Q20 \$'000 | Change % |
| Singapore | 8,689 | 3,524 | 146.6 |
| Hong Kong | 1,586 | 1,576 | 0.6 |
| Malaysia | 1,523 | 482 | 216.0 |
| China | (1,399) | (1,087) | 28.7 |
| Other ⁽¹⁾ | (43) | (71) | (39.4) |
| Profit before tax ⁽²⁾ | 10,356 | 4,424 | 134.1 |
| Tax expense | (1,541) | (789) | 95.3 |
| Net profit after tax ⁽²⁾ | 8,815 | 3,635 | 142.5 |

Note:

(1) Representing share of results of associates.

(2) Attributable to owners of the Company.

The Group's profit before tax increased by \$5.94 million or 134.1% from \$4.42 million in 1Q20 to \$10.36 million in 1Q21, bolstered by strong growths in Singapore and Malaysia. The growth in profitability of the Group was significantly higher than the growth in revenue of the Group. This was contributed by positive operating leverage and scalability of the Group's business model.

China operation is continuing to build iFAST brand and business in both onshore Chinese market and offshore Chinese market. While China operation is still loss-making, it has been showing some promising growth in its business performance in the quarter. In addition, the iFAST private fund management business in China has launched its first private fund and successfully lodged the fund with Asset Management Association of China in 1Q21.

Tax expense increased by \$0.75 million or 95.3% YoY in 1Q21 due to higher taxable profit generated by the Group in the quarter. However, the effective tax rate in 1Q21 was lower as compared to the same period last year, as Singapore operation has been awarded the standard-tier FSI (Financial Sector Incentive Scheme) award for a five-year period with effect from 25 June 2020 whereby qualifying transactions are taxed at a concessionary rate instead of the local statutory rate in Singapore.

Statement of Financial Position

The shareholders' equity of the Group increased to \$114.38 million as at 31 March 2021 from \$104.11 million as at 31 December 2020. This was due mainly to contribution of net profit generated, an increase in share capital resulting from staff share option exercises and an increase in reserve from translation of foreign operations resulting from appreciation of Hong Kong dollar in 1Q21, partially offset by a decrease in fair value of financial assets at FVOCI in the quarter.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans, increased to \$58.43 million as at 31 March 2021 from \$53.28 million as at 31 December 2020. This was due mainly to net cash generated from operating activities in 1Q21, partially offset by payments of additional investment in associate, additions of plant and equipment and intangible assets, and office leases in the quarter.

Current assets increased to \$195.99 million as at 31 March 2021 from \$194.60 million as at 31 December 2020. This was due mainly to increases in cash and cash equivalents, and trade and other receivables, partially offset by a decrease in receivables from uncompleted contracts on securities dealing at end of the period.

Non-current assets decreased to \$57.95 million as at 31 March 2021 from \$59.68 million as at 31 December 2020. This was due mainly to a decrease in carrying amount of right-of-use assets net of accumulated depreciation at end of the period, partially offset by additional investment in associate in the quarter.

Total liabilities decreased to \$140.31 million as at 31 March 2021 from 150.88 million as at 31 December 2020. This was due mainly to decreases in payables from uncompleted contracts on securities dealing, trade and other payables, and a decrease in carrying amount of lease liabilities at end of the period, partially offset by higher tax payable amounts at end of the period.

Consolidated Statement of Cash Flows

Net cash from operating activities increased from \$8.03 million in 1Q20 to \$12.59 million in 1Q21. This was due mainly to higher cash generated from operating activities in the quarter, partially offset by higher staff bonus payment for the year of 2020 paid in 1Q21.

Net cash used in investing activities decreased from \$10.32 million in 1Q20 to \$9.22 million in 1Q21, due mainly to settlement movement of investments in financial assets classified at FVTPL between quarters and lower additional investments in an associate in 1Q21 as compared to 1Q20.

Net cash used in financing activities decreased from \$1.74 million in 1Q20 to \$1.40 million in 1Q21, due mainly to higher proceeds from exercise of share options by staff and no purchase of treasury shares in 1Q21.

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

No forecast or prospect statement was previously provided.

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

The year 2021 started on a strong note for the Group. Net profit in 1Q21 was a record \$8.82 million, an increase of 142.5% compared to 1Q2020. This was achieved on the back of a 51.4% YoY increase in net revenue and a 43.8% YoY increase in gross revenue.

Similar to 2020, growth in profit was substantially higher than the growth in revenue in the quarter, showing the positive operating leverage of our business model.

Net inflows of client assets registered a record \$1.28 billion in 1Q21, pushing the Group's assets under administration ("AUA") to a record \$16.11 billion as at 31 March 2021 (growth of 68.9% YoY).

We believe that the robust growth seen by the Group in recent times has resulted from our past investments in building up a strong integrated digital wealth management platform. The Group will continue to work hard on various initiatives in all existing markets that the Group operates in to ensure that our medium to long term growth prospects will remain strong.

Barring unforeseen circumstances, the Group expects its business performance for the full year 2021 to show a healthy growth compared to 2020. In addition, we expect to increase our dividend per share in 2021 compared to 2020.

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 | 1.00 cents per ordinary share |
| Tax rate | One-tier tax exempt |

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

The interim dividend will be paid on 4 June 2021.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 20 May 2021 for the preparation of dividend warrants to the first interim dividend. Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 19 May 2021 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 will be registered to determine Members' entitlements to the first interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares in the Company as at 5.00 p.m. on the Record Date will be entitled to the 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 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 2021 to be false or misleading in any material aspect.

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

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

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

The Company refers to the net proceeds of \$48.0 million (excluding share issuance expenses of \$2.4 million and IPO-related expenses of \$1.95 million) raised from the IPO on the SGX-ST on 11 December 2014 and the Company's re-allocation of the net IPO proceeds announced on 27 October 2018. The following table sets out our use of the net IPO proceeds up to 31 March 2021.

| | Allocation of IPO proceeds | Amount reallocated on 26 October 2018 | IPO proceeds utilised as at 31 March 2021 | Balance of IPO proceeds as at 31 March 2021 |
|--|-------------------------------|---|---|---|
| Use of net proceeds | \$' million | \$' million | \$' million | \$' million |
| Mergers and acquisitions strategy | 27.2 | 19.2 | 15.5 | 3.7 |
| Expansion of our business in the Chinese market | 7.0 | 7.0 | 7.0 | - |
| Enhancement of our product capabilities, IT and services | 8.0 | 16.0 | 16.0 | - |
| Working capital purposes | 5.8 | 5.8 | 5.8 ⁽²⁾ | - |
| Net Proceeds | 48.0 ⁽¹⁾ | 48.0 | 44.3 | 3.7 |

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 \$3.7 million has been used to invest in bonds, unit trusts and short term deposits as stated in the Prospectus.

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

BY ORDER OF THE BOARD

Leung Fung Yat, David
Chief Financial Officer
22 April 2021