

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 Second Quarter and Half Year 2023
Financial Statements Announcement**

Second Quarter and Half Year 2023 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 second quarter and half year ended 30 June 2023

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Revenue	51,492	53,151	(3.1)	102,945	105,679	(2.6)
Interest revenue	2,717	762	256.6	5,194	1,160	347.8
Total revenue	54,209	53,913	0.5	108,139	106,839	1.2
Commission and fee expenses including securities brokerage expenses and handling and settlement expenses	(21,292)	(23,858)	(10.8)	(43,419)	(48,233)	(10.0)
Interest expenses excluding interest expense on lease liabilities	(1,112)	(197)	464.5	(1,906)	(197)	867.5
	31,805	29,858	6.5	62,814	58,409	7.5
Other income	842	367	129.4	1,242	662	87.6
Depreciation of plant and equipment	(645)	(1,045)	(38.3)	(1,569)	(1,785)	(12.1)
Depreciation of right-of-use assets	(1,863)	(1,798)	3.6	(3,719)	(3,633)	2.4
Amortisation of intangible assets	(2,757)	(2,351)	17.3	(5,334)	(4,732)	12.7
Staff costs excluding equity-settled share-based payment transactions	(12,561)	(12,367)	1.6	(24,313)	(22,087)	10.1
Equity-settled share-based payment to staff and advisers	(2,332)	(2,752)	(15.3)	(5,160)	(4,827)	6.9
Other operating expenses	(7,385)	(7,045)	4.8	(14,822)	(11,415)	29.8
	(27,543)	(27,358)	0.7	(54,917)	(48,479)	13.3
Impairment loss on associate	-	(5,200)	NM	-	(5,200)	NM
Results from operating activities	5,104	(2,333)	NM	9,139	5,392	69.5
Interest expense on lease liabilities	(256)	(148)	73.0	(351)	(275)	27.6
Share of results of associates, net of tax	(1)	667	NM	225	401	(43.9)
Profit / (Loss) before tax	4,847	(1,814)	NM	9,013	5,518	63.3
Tax expense	(1,585)	(1,115)	42.2	(3,039)	(2,773)	9.6
Profit / (Loss) for the period	3,262	(2,929)	NM	5,974	2,745	117.6
Profit / (Loss) attributable to:						
Owners of the Company	3,594	(2,693)	NM	6,571	3,043	115.9
Non-controlling interests	(332)	(236)	40.7	(597)	(298)	100.3
Profit / (Loss) for the period	3,262	(2,929)	NM	5,974	2,745	117.6

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 second quarter and half year ended 30 June 2023

	2Q23	Group	Change	1H23	Group	Change
	\$'000	2Q22	%	\$'000	1H22	%
Profit / (Loss) for the period	3,262	(2,929)	NM	5,974	2,745	117.6
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	(278)	(844)	(67.1)	(306)	(726)	(57.9)
Net change in fair value of financial assets-debt investments at FVOCI reclassified to profit or loss	-	(9)	NM	9	(198)	NM
Foreign currency translation differences for foreign operations	3,843	(3,357)	NM	4,356	(4,689)	NM
Share of other comprehensive income of associates	(16)	(27)	(40.7)	(21)	(50)	(58.0)
	<u>3,549</u>	<u>(4,237)</u>	<u>NM</u>	<u>4,038</u>	<u>(5,663)</u>	<u>NM</u>
Items that will not be reclassified subsequently to profit or loss:						
Net change in fair value of financial assets-equity investments at FVOCI	81	(804)	NM	79	(1,542)	NM
	<u>81</u>	<u>(804)</u>	<u>NM</u>	<u>79</u>	<u>(1,542)</u>	<u>NM</u>
Other comprehensive income for the period, net of tax	<u>3,630</u>	<u>(5,041)</u>	<u>NM</u>	<u>4,117</u>	<u>(7,205)</u>	<u>NM</u>
Total comprehensive income for the period	<u>6,892</u>	<u>(7,970)</u>	<u>NM</u>	<u>10,091</u>	<u>(4,460)</u>	<u>NM</u>
Attributable to:						
Owners of the Company	6,863	(7,246)	NM	10,161	(3,527)	NM
Non-controlling interests	29	(724)	NM	(70)	(933)	(92.5)
Total comprehensive income for the period	<u>6,892</u>	<u>(7,970)</u>	<u>NM</u>	<u>10,091</u>	<u>(4,460)</u>	<u>NM</u>

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

	Group			Group		
	2Q23	2Q22	Change	1H23	1H22	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Profit / loss for the period is arrived at after charging / (crediting) the following:</u>						
Interest revenue						
- Interest income from banking operation						
on cash and cash equivalents	(653)	(290)	125.2	(1,251)	(290)	331.4
on investment in financial assets	(823)	(19)	NM	(1,535)	(19)	NM
- Interest income from non-banking operations						
on cash and cash equivalents	(337)	(116)	190.5	(653)	(294)	122.1
on clients trade settlement bank accounts	(609)	(85)	616.5	(1,191)	(184)	547.3
on investment in financial assets	(277)	(214)	29.4	(528)	(312)	69.2
on product financing	-	(5)	NM	-	(5)	NM
on receivables	(18)	(33)	(45.5)	(36)	(56)	(35.7)
	(2,717)	(762)	256.6	(5,194)	(1,160)	347.8
Interest expenses excluding interest expense on lease liabilities						
- Interest expense from banking operation						
on deposits and balances of customers	971	197	392.9	1,631	197	727.9
- Interest expense from non-banking operation						
on bank loans	141	-	NM	275	-	NM
	1,112	197	464.5	1,906	197	867.5
Other income						
- Net investment (income) / loss	(152)	(14)	985.7	(444)	60	NM
- Government grant	(34)	(341)	(90.0)	(127)	(694)	(81.7)
- Gain on derecognition of associate	(634)	-	NM	(634)	-	NM
- Miscellaneous income	(22)	(12)	83.3	(37)	(28)	32
	(842)	(367)	129.4	(1,242)	(662)	87.6
Tax expense						
- Current tax expense	1,770	1,327	33.4	3,298	3,002	9.9
- Deferred tax credit	(185)	(212)	(12.7)	(259)	(229)	13.1
	1,585	1,115	42.2	3,039	2,773	9.6
Lease expense	188	244	(23.0)	357	255	40.0
Impairment loss on investment in financial assets at amortised cost, included in other operating expenses	-	-	NM	157	-	NM
Reversal of impairment loss on investment in financial assets at amortised cost, included in other operating expenses	(32)	-	NM	(32)	-	NM
Foreign exchange loss, net	227	81	180.2	48	37	29.7
Equity-settled share-based payment transactions, included in staff costs	2,015	2,419	(16.7)	4,463	4,285	4.2
Equity-settled share-based payment transactions, included in other operating expenses	317	333	(4.8)	697	542	28.6
(Gain) / loss on redemption of investment in financial assets at FVOCI, included in investment income	-	(9)	NM	9	(198)	NM
Dividend income on investment in financial assets at FVOCI, included in investment income	-	(89)	NM	-	(179)	NM
Net (gain) / loss on investment in financial assets at FVTPL, included in investment income	(143)	93	NM	(435)	455	NM
Dividend income on investment in associates	(9)	(9)	-	(18)	(18)	-

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	
	30-Jun-23 \$'000	31-Dec-22 \$'000	30-Jun-23 \$'000	31-Dec-22 \$'000
Assets				
Plant and equipment	7,511	5,962	529	917
Right-of-use assets	18,667	10,391	10,300	1,121
Intangible assets and goodwill	74,301	73,993	26,239	28,837
Subsidiaries	-	-	166,529	163,528
Associates	417	3,479	-	767
Other investments	29,060	23,034	4,480	2,535
Deferred tax assets	2,220	2,380	-	-
Contract costs	14,943	10,117	-	-
Prepayments and others	516	1,055	11	11
Total non-current assets	147,635	130,411	208,088	197,716
Current tax receivable	188	323	-	-
Other investments	61,050	41,711	10,417	9,626
Contract costs	-	48	-	-
Prepayments and others	5,117	5,031	287	391
Trade and other receivables	99,659	78,601	41,619	33,557
Uncompleted contracts - buyers	77,080	51,281	-	-
Money market funds	16,647	14,165	9,306	9,540
Cash at bank and in hand	117,501	136,965	4,547	4,028
Total current assets	377,242	328,125	66,176	57,142
Total assets	524,877	458,536	274,264	254,858
Equity				
Share capital	171,103	171,059	171,103	171,059
Reserves	58,950	51,429	36,685	28,636
Equity attributable to owners of the Company	230,053	222,488	207,788	199,695
Non-controlling interests	8,011	8,229	-	-
Total equity	238,064	230,717	207,788	199,695
Liabilities				
Deferred tax liabilities	2,427	2,867	1,767	2,064
Lease liabilities	11,287	5,280	6,729	147
Total non-current liabilities	13,714	8,147	8,496	2,211
Current tax payables	3,580	2,859	-	-
Lease liabilities	8,237	5,919	3,550	883
Bank loans	15,161	12,210	15,161	12,210
Deposits and balances of customers	119,250	96,545	-	-
Trade and other payables	49,861	51,863	39,269	39,859
Uncompleted contracts - sellers	77,010	50,276	-	-
Total current liabilities	273,099	219,672	57,980	52,952
Total liabilities	286,813	227,819	66,476	55,163
Total equity and liabilities	524,877	458,536	274,264	254,858

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-Jun-23 \$'000		As at 31-Dec-22 \$'000	
	Secured	Unsecured	Secured	Unsecured
Bank loans	-	15,161	-	12,210
	<u>-</u>	<u>15,161</u>	<u>-</u>	<u>12,210</u>

The Group uses its revolving bank loan facilities to facilitate its working capital management from time to time. The revolving bank loans bore interest at rates ranging from 3.90% to 4.69% (2022: 3.90% to 4.69%) per annum in the period and are repayable within the next 12 months from the reporting date.

Amount repayable after one year

No 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		Group	
	2Q23 \$'000	2Q22 \$'000	1H23 \$'000	1H22 \$'000
Cash flows from operating activities				
Profit / (Loss) for the period	3,262	(2,929)	5,974	2,745
Adjustments for:				
Depreciation of plant and equipment	645	1,045	1,569	1,785
Depreciation of right-of-use assets	1,863	1,798	3,719	3,633
Amortisation of intangible assets	2,757	2,351	5,334	4,732
Equity-settled share-based payment to staff and advisers	2,332	2,752	5,160	4,827
Dividend income on investment in financial assets at FVOCI	-	(89)	-	(179)
(Gain) / loss on redemption of investment in financial assets at FVOCI	-	(9)	9	(198)
Net (gain) / loss on investment in financial assets at FVTPL	(143)	93	(435)	455
Share of results of associates, net of tax	1	(667)	(225)	(401)
Dividend income on investment in associates	(9)	(9)	(18)	(18)
Foreign exchange loss, net	227	81	48	37
Plant and equipment written off	-	1	-	1
Intangible asset written off	-	4	-	4
Impairment loss on associate	-	5,200	-	5,200
Impairment loss on investment in financial assets at amortised cost	-	-	157	-
Reverse of impairment loss on investment in financial assets at amortised cost	(32)	-	(32)	-
Impairment loss on other financial assets	27	-	27	-
Reversal of impairment loss on other financial assets	-	-	(17)	-
Premium or discount amortisation on debt securities	(504)	(138)	(929)	(138)
Interest expense on lease liabilities	256	148	351	275
Gain on disposal of plant and equipment	(8)	-	(8)	-
Gain on derecognition of associate	(634)	-	(634)	-
Tax expense	1,585	1,115	3,039	2,773
	11,625	10,747	23,089	25,533
Changes in:				
Contract costs	(1,947)	(1,189)	(4,086)	(2,189)
Prepayments	632	710	79	633
Trade and other receivables	(9,542)	(2,756)	(15,483)	(4,146)
Uncompleted contracts - buyers	25,244	24,686	(26,046)	(29,872)
Uncompleted contracts - sellers	(25,255)	(21,027)	27,015	33,456
Deposits and balances of customers in banking operation	28,002	3,493	16,575	3,493
Trade and other payables	(72)	(3,437)	(393)	(6,541)
Cash generated from operations	28,687	11,227	20,750	20,367
Tax paid	(2,091)	(3,094)	(2,625)	(3,729)
Interest paid on lease liabilities	(256)	(135)	(351)	(262)
Net cash from operating activities	26,340	7,998	17,774	16,376
Cash flows from investing activities				
Purchase of plant and equipment	(3,153)	(488)	(3,451)	(1,202)
Purchase of intangible assets	(1,694)	(2,295)	(8,415)	(8,587)
Payment of direct costs for leases	(51)	-	(51)	-
Proceeds from disposal of plant and equipment	42	-	42	-
Dividend from associates	-	-	18	18
Net cash inflow from acquisition of subsidiaries	-	-	-	49,534
Purchase of investment in financial assets	(87,688)	(53,644)	(182,801)	(90,828)
Proceeds from redemption of investment in financial assets	85,298	44,249	162,523	73,173
Dividends received from investment in financial assets at FVOCI	-	1	-	2
Proceed from disposal of interest in associate	1,950	-	1,950	-
Net cash (used in) / from investing activities	(5,296)	(12,177)	(30,185)	22,110
Cash flows from financing activities				
Proceeds from issue of ordinary shares related to share placement, net of share issuance expenses	-	-	-	103,334
Proceeds from exercise of share options	28	20	44	93
Purchase of treasury shares	(268)	(1,990)	(268)	(1,990)
Drawdown of bank loans	15,161	-	15,193	-
Repayment of bank loans	(12,458)	-	(12,458)	-
Principal element of lease payments	(1,973)	(2,069)	(3,949)	(3,912)
Dividends paid to owners of the Company	(7,087)	(7,032)	(7,087)	(7,032)
Net cash (used in) / from financing activities	(6,597)	(11,071)	(8,525)	90,493
Net increase / (decrease) in cash and cash equivalents	14,447	(15,250)	(20,936)	128,979
Cash and cash equivalents at beginning of the period	116,691	186,495	151,130	44,097
Effect of exchange rate fluctuations on cash held	3,010	(5,259)	3,954	(7,090)
Cash and cash equivalents at end of the period	134,148	165,986	134,148	165,986

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

	Group										
	Attributable to owners of the Company										Total equity \$'000
	Share capital \$'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 2023	171,059	(3,146)	(10,603)	3,165	22,101	(1,535)	(1,025)	42,472	222,488	8,229	
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	6,571	6,571	(597)	5,974
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(227)	-	-	-	-	-	-	(227)	-	(227)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	-	-	9	-	9
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(81)	-	-	-	-	-	81	-	-	-
Foreign currency translation differences for foreign operations	-	-	3,829	-	-	-	-	-	3,829	527	4,356
Share of other comprehensive income of associates	-	-	(21)	-	-	-	-	-	(21)	-	(21)
Total other comprehensive income	-	(299)	3,808	-	-	-	-	81	3,590	527	4,117
Total comprehensive income for the period	-	(299)	3,808	-	-	-	-	6,652	10,161	(70)	10,091
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	44	-	-	-	-	-	-	-	44	-	44
Purchase of treasury shares	-	-	-	-	-	-	(268)	-	(268)	-	(268)
One-tier tax-exempt 2022 final dividend paid of 1.14 cents per share	-	-	-	-	-	-	-	(4,134)	(4,134)	-	(4,134)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	-	-	(2,953)	(2,953)	-	(2,953)
Equity-settled share-based payment transactions	-	-	-	100	4,671	-	-	-	4,771	-	4,771
Total contributions by and distribution to owners	44	-	-	100	4,671	-	(268)	(7,087)	(2,540)	-	(2,540)
Changes in ownership interests in subsidiaries											
Measurement period adjustments to acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(56)	-	-	(56)	(148)	(204)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(56)	-	-	(56)	(148)	(204)
Total transactions with owners	44	-	-	100	4,671	(56)	(268)	(7,087)	(2,596)	(148)	(2,744)
At 30 June 2023	171,103	(3,445)	(6,795)	3,265	26,772	(1,591)	(1,293)	42,037	230,053	8,011	238,064

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

	Group										
	Attributable to owners of the Company										Total equity
	Share capital	Fair value reserve	Foreign currency translation reserve	Share option reserve	Performance share reserve	Equity reserve	Reserve for own shares	Accumulated profits	Total	Non-controlling interests	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2022	67,577	(4,019)	(1,542)	3,012	12,316	(2,010)	(160)	53,479	128,653	(1,018)	127,635
Total comprehensive income for the period											
Profit / (Loss) for the period	-	-	-	-	-	-	-	3,043	3,043	(298)	2,745
Other comprehensive income											
Net change in fair value of financial assets at FVOCI	-	(2,268)	-	-	-	-	-	-	(2,268)	-	(2,268)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(198)	-	-	-	-	-	-	(198)	-	(198)
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	(4,054)	-	-	-	-	-	(4,054)	(635)	(4,689)
Share of other comprehensive income of associates	-	-	(50)	-	-	-	-	-	(50)	-	(50)
Total other comprehensive income	-	(2,466)	(4,104)	-	-	-	-	-	(6,570)	(635)	(7,205)
Total comprehensive income for the period	-	(2,466)	(4,104)	-	-	-	-	3,043	(3,527)	(933)	(4,460)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Share options exercised	93	-	-	-	-	-	-	-	93	-	93
Purchase of treasury shares	-	-	-	-	-	-	(1,990)	-	(1,990)	-	(1,990)
Treasury shares re-issued	-	-	-	-	-	-	1,526	592	2,118	-	2,118
Issue of ordinary shares related to share placement	105,000	-	-	-	-	-	-	-	105,000	-	105,000
Share issuance expenses	(1,666)	-	-	-	-	-	-	-	(1,666)	-	(1,666)
One-tier tax-exempt 2021 final dividend paid of 1.40 cents per share	-	-	-	-	-	-	-	(4,102)	(4,102)	-	(4,102)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
Equity-settled share-based payment transactions	-	-	-	66	4,561	-	-	-	4,627	-	4,627
Total contributions by and distribution to owners	103,427	-	-	66	4,561	-	(464)	(6,440)	101,150	-	101,150
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	10,155	10,155
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	10,155	10,155
Total transactions with owners	103,427	-	-	66	4,561	-	(464)	(6,440)	101,150	10,155	111,305
At 30 June 2022	171,004	(6,485)	(5,646)	3,078	16,877	(2,010)	(624)	50,082	226,276	8,204	234,480

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						
	<u>Attributable to owners of the Company</u>						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 2023	171,059	742	1,974	22,101	(1,025)	4,844	199,695
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	10,851	10,851
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(227)	-	-	-	-	(227)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	9	-	-	-	-	9
Net change in fair value on disposal of financial assets at FVOCI transferred between reserves	-	(81)	-	-	-	81	-
Total other comprehensive income	-	(299)	-	-	-	81	(218)
Total comprehensive income for the period	-	(299)	-	-	-	10,932	10,633
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	44	-	-	-	-	-	44
Purchase of treasury shares	-	-	-	-	(268)	-	(268)
One-tier tax-exempt 2022 final dividend paid of 1.14 cents per share	-	-	-	-	-	(4,134)	(4,134)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	(2,953)	(2,953)
Equity-settled share-based payment transactions	-	-	100	4,671	-	-	4,771
Total contributions by and distribution to owners	44	-	100	4,671	(268)	(7,087)	(2,540)
Total transactions with owners	44	-	100	4,671	(268)	(7,087)	(2,540)
At 30 June 2023	171,103	443	2,074	26,772	(1,293)	8,689	207,788

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						Total equity
	Attributable to owners of the Company						
	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 2022	67,577	(450)	1,839	12,316	(160)	13,711	94,833
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,495	3,495
Other comprehensive income							
Net change in fair value of financial assets at FVOCI	-	(2,261)	-	-	-	-	(2,261)
Net change in fair value of financial assets at FVOCI reclassified to profit or loss	-	(198)	-	-	-	-	(198)
Total other comprehensive income	-	(2,459)	-	-	-	-	(2,459)
Total comprehensive income for the period	-	(2,459)	-	-	-	3,495	1,036
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share options exercised	93	-	-	-	-	-	93
Purchase of treasury shares	-	-	-	-	(1,990)	-	(1,990)
Treasury shares re-issued	-	-	-	-	1,526	592	2,118
Issue of ordinary shares related to share placement	105,000	-	-	-	-	-	105,000
Share issuance expenses	(1,666)	-	-	-	-	-	(1,666)
One-tier tax-exempt 2021 final dividend paid of 1.40 cents per share	-	-	-	-	-	(4,102)	(4,102)
One-tier tax-exempt interim dividend paid of 1.00 cents per share	-	-	-	-	-	(2,930)	(2,930)
Equity-settled share-based payment transactions	-	-	47	4,561	-	-	4,608
Total contributions by and distribution to owners	103,427	-	47	4,561	(464)	(6,440)	101,131
Total transactions with owners	103,427	-	47	4,561	(464)	(6,440)	101,131
At 30 June 2022	171,004	(2,909)	1,886	16,877	(624)	10,766	197,000

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 30 June 2023 excluding treasury shares and subsidiary holdings was 295,267,941 ordinary shares (31 March 2023: 293,650,741 ordinary shares). The movements in the Company's share capital during the second quarter ended 30 June 2023 were as follows:

	Number of ordinary shares
As at 31 March 2023	293,650,741
Exercise of share options	46,800
Vesting of performance shares	1,634,100
Purchase of treasury shares	(63,700)
Re-issue of treasury shares	-
As at 30 June 2023	<u><u>295,267,941</u></u>

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

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

	Number of share options
As at 31 March 2023	3,285,178
Share options granted	229,700
Exercised	(46,800)
Forfeited	-
As at 30 June 2023	<u><u>3,468,078</u></u>

On 1 May 2023, the Company granted the 229,700 share options pursuant to the iFAST Employee Share option Scheme. As at 30 June 2023, the number of outstanding share options under the iFAST ESOS was 3,468,078 (30 June 2022: 3,444,406).

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 March 2023	8,543,500
Performance shares granted but not vested	32,700
Vested	(1,634,100)
Forfeited	(49,600)
As at 30 June 2023	<u><u>6,892,500</u></u>

On 1 May 2023, the Company granted the 32,700 share awards pursuant to the iFAST PSP. As at 30 June 2023, the number of outstanding performance shares granted but not vested under the iFAST PSP was 6,892,500 (30 June 2022: 9,420,200).

Treasury shares and subsidiary holdings

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

	Number of treasury shares
As at 31 March 2023	279,700
Purchased by way of on-market acquisition	63,700
Purchased by way of off-market acquisition	-
Re-issued	-
As at 30 June 2023	<u>343,400</u>

As at 30 June 2023, 343,400 (30 June 2022: 172,800) 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 26 April 2023.

The Company has no subsidiary holdings as at 30 June 2023 and 30 June 2022.

As at 30 June 2023, the treasury shares held by the Company represented 0.1% (30 June 2022: 0.1%) 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 30-Jun-23	As at 31-Dec-22
Total number of issued shares excluding treasury shares and subsidiary holdings	<u>295,267,941</u>	<u>293,045,941</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 second quarter ended 30 June 2023.

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 30 June 2023.

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 2023. 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.

	2Q23	2Q22	1H23	1H22
(i) Based on weighted average number of ordinary shares on issue				
- Weighted average number of ordinary shares	295,213,374	292,994,513	294,230,458	292,310,813
Basic earnings per share (cents)	1.22	(0.92)	2.23	1.04
(ii) On a fully diluted basis of ordinary shares				
- Adjusted weighted average number of ordinary shares	302,065,558	292,661,796	302,274,704	301,407,536
Diluted earnings per share (cents)	1.19	(0.92)	2.17	1.01

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-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Net asset value per ordinary share (cents)	77.91	75.92	70.37	68.14

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

Total revenue

Asia ex Japan equities recorded a negative performance in the second quarter of 2023 ("2Q23") due to the tension between US and China. The MSCI AC Asia ex Japan index dropped approximately 1.3% quarter-on-quarter ("QoQ") as at 30 June 2023.

Despite the volatile market environment in the period, the Group's net inflows of client assets recorded approximately \$559 million in 2Q23, with a quarter-on-quarter ("QoQ") growth of 78.6%, and approximately \$872 million in the first-half year of 2023 ("1H23"). 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.

The Group's assets under administration ("AUA") grew 3.7% QoQ and 8.0% year-to-day ("YTD") to \$18.81 billion as at 30 June 2023.

The Group's total revenue increased 0.5% year-on-year ("YoY") to \$54.21 million in 2Q23 and 1.2% YoY to \$108.14 million in 1H23.

The following tables show the breakdown of the Group's total revenue, total revenue excluding interest revenue and interest revenue respectively by the United Kingdom ("UK")-based banking operation newly acquired at end of March 2022 and existing non-banking operations of the Group.

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations	49,973	48,039	4.0	99,866	100,965	(1.1)
Banking operation	4,236	5,874	(27.9)	8,273	5,874	40.8
Total revenue	54,209	53,913	0.5	108,139	106,839	1.2

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations	48,732	47,586	2.4	97,458	100,114	(2.7)
Banking operation	2,760	5,565	(50.4)	5,487	5,565	(1.4)
Total revenue excluding interest revenue	51,492	53,151	(3.1)	102,945	105,679	(2.6)

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations	1,241	453	174.0	2,408	851	183.0
Banking operation	1,476	309	377.7	2,786	309	801.6
Interest revenue	2,717	762	256.6	5,194	1,160	347.8

As disclosed in the Group's Full-Year 2022 Financial Statements Announcement dated 14 February 2023, the Group had reviewed book-keeping of the newly acquired banking operation in line with the Group's accounting policies and certain alignment adjustments related to the presentation of banking operation's results (mainly related to its discontinued operation of wholesale currency services ("WCS") business which will be fully closed in 2023) for the second quarter of 2022 ("2Q22") and the third quarter of 2022 ("3Q22") had been recognised in the books of banking operation in the fourth quarter of 2022 ("4Q22"). The following table shows aligned revenue of banking operation from 2Q22 to 4Q22 if the above mentioned alignment adjustments would have been recognised in 2Q22 and 3Q22 respectively.

<u>Banking operation</u>	1Q22 \$'000	2Q22 \$'000	3Q22 \$'000	4Q22 \$'000	FY22 \$'000
Total revenue (reported in the results announcement for the respective quarter)	-	5,874	4,069	389	10,332
Alignment adjustments with the Group's accounting policies	-	(1,611)	(1,379)	2,990	-
Total revenue aligned with the Group's accounting policies	-	4,263	2,690	3,379	10,332
Total revenue excluding interest revenue (reported in the results announcement for the respective quarter)	-	5,565	3,546	291	9,402
Alignment adjustments with the Group's accounting policies	-	(1,393)	(1,071)	2,464	-
Total revenue excluding interest revenue aligned with the Group's accounting policies	-	4,172	2,475	2,755	9,402
Interest revenue (reported in the results announcement for the respective quarter)	-	309	523	98	930
Alignment adjustments with the Group's accounting policies	-	(218)	(308)	526	-
Interest revenue aligned with the Group's accounting policies	-	91	215	624	930

Costs of revenue

Commission and fee expenses including securities brokerage expenses and handling and settlement expenses

The following table shows the breakdown of the Group's costs of revenue excluding interest expenses by the new banking operation and existing non-banking operations of the Group.

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations	20,848	22,103	(5.7)	42,535	46,478	(8.5)
Banking operation	444	1,755	(74.7)	884	1,755	(49.6)
Costs of revenue excluding interest expenses	21,292	23,858	(10.8)	43,419	48,233	(10.0)

The existing non-banking operations of the Group have two main business divisions, namely Business-to-Customer (“B2C”) and Business-to-Business (“B2B”). For B2B division of the Group’s non-banking operations providing the wealth management platform services, a substantial portion of front-end commission income and advisory fee from B2B customers is payable to financial advisers who assist the B2B customers. 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.

The costs of revenue excluding interest expenses incurred by non-banking operations of the Group decreased by 5.7% YoY to \$20.85 million in 2Q23 and 8.5% YoY to \$42.54 million in 1H23. These were due mainly to decreases in commission income from unit trust (“UT”) business of B2B division resulting from lower volume of clients’ subscription in UT in the period.

The costs of revenue excluding interest expenses incurred by the new banking operation are commission and fee expenses including handling and settlement expenses charged by counterparts in the course of transactional banking service provision to customers.

As mentioned under the part of revenue, the Group had reviewed book-keeping of the newly acquired banking operation in line with the Group’s accounting policies and certain alignment adjustments related to the presentation of banking operation’s results (mainly related to its discontinued operation of WCS business which will be fully closed in 2023) for 2Q22 and 3Q22 had been recognised in the books of banking operation in 4Q22. The following table shows the aligned cost of revenue excluding interest expenses of banking operation from 2Q22 to 4Q22 if the above mentioned alignment adjustments would have been recognised in 2Q22 and 3Q22 respectively.

Banking operation

Costs of revenue excluding interest expenses

(reported in the results announcement for the respective quarter)

Alignment adjustments with the Group’s accounting policies

Costs of revenue excluding interest expenses aligned with the Group’s accounting policies

	1Q22 \$'000	2Q22 \$'000	3Q22 \$'000	4Q22 \$'000	FY22 \$'000
Costs of revenue excluding interest expenses	-	1,755	1,567	(1,861)	1,461
Alignment adjustments with the Group’s accounting policies	-	(1,112)	(1,134)	2,246	-
Costs of revenue excluding interest expenses aligned with the Group’s accounting policies	-	643	433	385	1,461

Interest expenses excluding interest expense on lease liabilities

The following table shows the breakdown of the Group’s interest expenses excluding interest expense on lease liabilities by the new banking operation and existing non-banking operations of the Group.

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations	141	-	NM	275	-	NM
Banking operation	971	197	392.9	1,631	197	727.9
Interest expenses	1,112	197	464.5	1,906	197	867.5

The interest expenses excluding interest expense on lease liabilities incurred by non-banking operations are interest expenses on amounts of revolving bank loan facilities drawn down to facilitate the Group’s working capital management in the period.

The higher interest expenses excluding interest expense on lease liabilities incurred by the new banking operation are higher interest expenses on increased deposits and balances of customers placed with the banking operation over the period.

The alignment adjustments related to interest expenses recognised in banking operation, as disclosed in the Group's Full-Year 2022 Financial Statements Announcement dated 14 February 2023, are not significant for both 2Q22 and 1H22.

Net revenue

Net revenue of the Group comprises net interest revenue and net non-interest revenue which represents corresponding revenue earned by the Group after commission and fee expenses including securities brokerage expenses and handling and settlement expenses.

The Group's net revenue grew 6.5% YoY to \$31.81 million in 2Q23 and 7.5% YoY to \$62.81 million in 1H23, with the respective breakdown of net interest revenue and net non-interest revenue as follows.

	Group			Group		
	2Q23	2Q22	Change	1H23	1H22	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Net interest revenue</u>						
Non-banking operations	1,100	453	142.8	2,133	851	150.6
Banking operation	505	112	350.9	1,155	112	931.3
Net interest revenue	<u>1,605</u>	<u>565</u>	<u>184.1</u>	<u>3,288</u>	<u>963</u>	<u>241.4</u>
<u>Net non-interest revenue</u>						
Non-banking operations						
- Business-to-Customer business	8,115	7,987	1.6	16,240	16,513	(1.7)
- Business-to-Business business	19,769	17,496	13.0	38,682	37,123	4.2
	<u>27,884</u>	<u>25,483</u>	<u>9.4</u>	<u>54,922</u>	<u>53,636</u>	<u>2.4</u>
Banking operation	2,316	3,810	(39.2)	4,604	3,810	20.8
Net non-interest revenue	<u>30,200</u>	<u>29,293</u>	<u>3.1</u>	<u>59,526</u>	<u>57,446</u>	<u>3.6</u>
Total net revenue	<u><u>31,805</u></u>	<u><u>29,858</u></u>	<u><u>6.5</u></u>	<u><u>62,814</u></u>	<u><u>58,409</u></u>	<u><u>7.5</u></u>

For B2C division of the Group's non-banking operations, these were YoY decreases in transaction processing fees resulting from decreased investment subscription from customers in exchange-listed securities, and service fees arising from the provision of currency conversion administration services resulting from lower clients' trading volume of securities listed on foreign exchanges affected by the volatile market sentiment in the period. The mentioned decreases were offset by the higher interest commission income arising from clients' AUA as well as cash management solution services provided to clients due to the improved interest rate environment over the period. The B2C division's average AUA dropped 4.1% YoY in 1H23 while it decreased 2.7% YoY in 2Q23, and its net revenue decreased by 1.7% YoY in 1H23 but increased 1.6% YoY in 2Q23.

For B2B division of the Group's non-banking operations, these were YoY decreases in transaction processing fees resulting from decreased investment subscription from institution customers in exchange-listed securities over the period. However, there were YoY increases in higher interest commission income arising from clients' AUA and cash management solution services provided to clients due to the improved interest rate environment, processing fee income from increased client trade in bonds and recurring fee income arising from portfolio management services over the period. The B2B division's average AUA grew 5.2% YoY in 2Q23 and 2.3% YoY in 1H23, and its net revenue increased by 13.0% YoY in 2Q23 and 4.2% YoY in 1H23.

The following table shows the breakdown of the Group's net revenue by recurring and non-recurring basis.

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations						
- Recurring net revenue	23,656	20,073	17.8	46,264	40,190	15.1
- Non-recurring net revenue	5,328	5,863	(9.1)	10,791	14,297	(24.5)
	<u>28,984</u>	<u>25,936</u>	<u>11.8</u>	<u>57,055</u>	<u>54,487</u>	<u>4.7</u>
Banking operation						
- Recurring net revenue	505	112	350.9	1,155	112	931.3
- Non-recurring net revenue	2,316	3,810	(39.2)	4,604	3,810	20.8
	<u>2,821</u>	<u>3,922</u>	<u>(28.1)</u>	<u>5,759</u>	<u>3,922</u>	<u>46.8</u>
Total net revenue	<u>31,805</u>	<u>29,858</u>	<u>6.5</u>	<u>62,814</u>	<u>58,409</u>	<u>7.5</u>

The business model of the Group's non-banking operations gives a stream of reliable recurring revenue which is substantially based on AUA. In 1H23, 81.1% of total net revenue of non-banking operations is derived from its recurring net revenue.

Recurring net revenue of the Group's non-banking operations 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, portfolio service management fees and net interest commission income arising from clients' AUA. The YoY increases in recurring net revenue in 2Q23 and 1H23 were due mainly to increases in recurring fee income arising from portfolio management services and higher interest commission income arising from clients' AUA and cash management solution services provided to clients due to the improved interest rate environment over the period.

Non-recurring revenue of the Group's non-banking operations 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 development fee from provision of IT Fintech solutions to business partners. In 2Q23 and 1H23, the YoY decreases in non-recurring net revenue were due mainly to decreases in transaction processing fees resulting from decreased investment subscription from B2C and B2B customers, and service fees arising from the provision of currency conversion administration services and lower clients' trading volume of securities listed on foreign exchanges affected by the volatile market sentiment over the period, partially offset by increases in transaction processing fees from increased client trade in bonds in recent quarters in the period.

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

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations						
Singapore	19,298	16,907	14.1	37,557	34,480	8.9
Hong Kong	5,698	5,669	0.5	11,826	12,073	(2.0)
Malaysia	3,596	2,910	23.6	6,838	6,949	(1.6)
China	392	450	(12.9)	834	985	(15.3)
	<u>28,984</u>	<u>25,936</u>	<u>11.8</u>	<u>57,055</u>	<u>54,487</u>	<u>4.7</u>
Banking operation - United Kingdom	2,821	3,922	(28.1)	5,759	3,922	46.8
Total net revenue	<u>31,805</u>	<u>29,858</u>	<u>6.5</u>	<u>62,814</u>	<u>58,409</u>	<u>7.5</u>

The Singapore operation's net revenue increased by 14.1% YoY in 2Q23 and 8.9% YoY in 1H23, due mainly to increases in recurring fee income arising from higher interest commission income arising from clients' AUA and cash management solution services provided to clients in the period, benefitting from a rising interest rate environment over the period. In addition, despite the volatile market environment in the period, the Singapore operation's net inflows of client assets recorded approximately \$397 million in 2Q23 with a strong growth of 85.5% QoQ. Overall, the AUA of Singapore operation increased by 9.8% YoY and 4.4% QoQ as at 30 June 2023.

In Hong Kong, its net revenue decreased by 2.0% YoY in 1H23 but rose by 0.5% YoY in 2Q23. These were due mainly to a significant YoY drop in the market value of client asset holdings affected by the negative market segment over the period. The above was offset by YoY increases in higher interest commission income arising from clients' AUA and cash management solution services provided to clients due to the improved interest rate environment and YoY increases in revenue from bond business in the quarter. Overall, the AUA of Hong Kong operation increased by 0.9% YoY and 1.2% QoQ as at 30 June 2023.

The Malaysia operation's net revenue decreased by 1.6% YoY in 1H23 but grew 23.6% YoY in 2Q23. The net inflows from clients slowed down in both 2Q23 and 1H23 due to the volatile market environment over the period. However, the clients' trade demand in bonds remained resilient in the quarter. In addition, there was higher IT solution development fee from provision of IT Fintech solutions to business partners in the quarter. Overall, the AUA of Malaysia operation increased by 9.2% YoY and 1.6% QoQ as at 30 June 2023.

In China, its market recovery remains slow and domestic investors remains cautious. The UT investment subscription amounts from clients in China operation rose 8.4% YoY in 2Q23 and 11.4% YoY in 1H23. However, the AUA of China operation dropped by 15.2% YoY and 1.2% QoQ as at 30 June 2023 due to the negative market segment over the period. The net revenue of China operation decreased by 12.9% YoY in 2Q23 and 15.3% YoY in 1H23.

The new UK operation refers to the UK-based bank acquired by the Group at end of March 2022. The UK-based bank is a member of SWIFT and a direct member of Faster Payment and Clearing House Automated Payment System. The primary banking activities of UK operation is currently transactional banking service provision to customers, including UK Faster payments, international remittance, multi-currency bank deposit accounts and foreign exchange conversion services. The UK operation has launched a digital banking platform, namely Digital Personal Banking ("DPB") in April 2023, and continues to actively market the DPB service to retail customers. By end of 2Q23, the DPB platform service has attracted over 2,000 new customers onto the platform.

As mentioned under the parts of revenue and cost of revenue, the Group had reviewed book-keeping of the newly acquired banking operation in line with the Group's accounting policies and certain alignment adjustments related to the presentation of banking operation's results (mainly related to its discontinued operation of WCS business which will be fully closed in 2023) for 2Q22 and 3Q22 had been recognised in the books of banking operation in 4Q22. The following table shows aligned net revenue of banking operation from 2Q22 to 4Q22 if the above mentioned alignment adjustments would have been recognised in 2Q22 and 3Q22 respectively, as disclosed in the Group's Full-Year 2022 Financial Statements Announcement dated 14 February 2023.

<u>Banking operation</u>	1Q22	2Q22	3Q22	4Q22	FY22
	\$'000	\$'000	\$'000	\$'000	\$'000
Total net revenue (reported in the results announcement for the respective quarter)	-	3,922	2,222	2,044	8,188
Alignment adjustments with the Group's accounting policies	-	(390)	(108)	498	-
Total net revenue aligned with the Group's accounting policies	-	3,532	2,114	2,542	8,188

Other income

Other income increased by \$0.47 million or 129.4% from \$0.37 million in 2Q22 to \$0.84 million in 2Q23 and \$0.58 million or 87.6% from \$0.66 million in 1H22 to \$1.24 million in 1H23. These were due mainly to higher investment income on debt securities investments earned in the period and gain of \$0.63 million on de-recognition of an associate, namely Provident Holding Pte Ltd ("Provident"), arising from disposal of the Company's interest in Provident in 2Q23. This was partially offset by lower government grant received in 2Q23 and 1H23 compared to the same period of last year.

Operating expenses (excluding impairment loss on associate)

Overall, the Group's total operating expenses increased slightly by 0.7% YoY and 0.6% QoQ to \$27.54 million in 2Q23 although its total operating expenses increased by 13.3% YoY to \$54.92 million in 1H23.

	Group			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Non-banking operations						
Depreciation of plant and equipment	634	1,005	(36.9)	1,546	1,745	(11.4)
Depreciation of right-of-use assets	1,746	1,798	(2.9)	3,489	3,633	(4.0)
Amortisation of intangible assets	2,757	2,351	17.3	5,334	4,732	12.7
Staff costs excluding equity-settled share-based payment transactions	10,010	10,010	-	19,643	19,730	(0.4)
Equity-settled share-based payment to staff and advisers	2,332	2,752	(15.3)	5,160	4,827	6.9
Other operating expenses	4,750	4,412	7.7	9,591	8,782	9.2
	<u>22,229</u>	<u>22,328</u>	<u>(0.4)</u>	<u>44,763</u>	<u>43,449</u>	<u>3.0</u>
Banking operation	5,314	5,030	5.6	10,154	5,030	101.9
Total operating expenses	<u>27,543</u>	<u>27,358</u>	<u>0.7</u>	<u>54,917</u>	<u>48,479</u>	<u>13.3</u>

Excluding the new banking operation, the Group's total operating expenses decreased slightly by 0.4% YoY to \$22.23 million in 2Q23 while the operating expenses increased by 3.0% YoY to \$44.76 million in 1H23. The Group continued its efforts in enhancing its wealth management platform capabilities including improving the range and depths of investment products and services being provided to customers in all its existing markets over the period so as to strengthen the Fintech Ecosystem of the Group and further scale up the businesses of the Group continuously.

Excluding the new banking operation, depreciation of plant and equipment decreased by 36.9% YoY to \$0.63 million in 2Q23 and 11.4% YoY to \$1.55 million in 1H23, and depreciation of right-of-use ("ROU") assets decreased by 2.9% YoY to \$1.75 million in 2Q23 and 4.0% YoY to \$3.49 million in 1H23. These were due mainly to lower carrying amounts of the corresponding assets at beginning of the period. Amortisation of intangible assets increased by 17.3% YoY to \$2.76 million in 2Q23 and 12.7% YoY to \$5.33 million in 1H23, due mainly to additions of 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.

Excluding the new banking operation, equity-settled share-based payment to staff and advisers decreased by 15.3% YoY to \$2.33 million in 2Q23 but increased 6.9% YoY to \$5.16 million in 1H23, as annual batches of share awards to be granted to staff and advisers have shifted from the month of March in 2022 to the month of July in 2023. The annual share awards to staff and advisers are to motivate staff and advisers to achieve a long-term growth together with the Group. Staff costs (excluding equity-settled share-based payment transactions) remained flat in 2Q23 and 1H23 compared to the same period of 2022.

Excluding the new banking operation, other operating expenses increased by 7.7% YoY to \$4.75 million in 2Q23 and 9.2% YoY to \$9.59 million in 1H23, due mainly to increased spending in business advertising, IT and related technology security services in the period to support the continual growth of the Group's business ahead.

The UK-based bank operation acquired by the Group at end of March 2022 is a member of SWIFT and a direct member of Faster Payment and Clearing House Automated Payment System. The primary banking activities of UK operation is currently transactional banking service provision to customers, including UK Faster payments, international remittance, multi-currency bank deposit accounts and foreign exchange conversion services. The UK bank operation has been working with the Group to develop digital transaction banking ("DTB") and digital personal banking ("DPB") businesses and incorporate the banking function into the existing ecosystem of the Group. The UK bank operation launched its DTB platform in late 2022 and launched its DPB

platform in April 2023. The total operating expenses of the UK bank operation increased by 5.6% YoY to \$5.31 million in 2Q23.

Impairment loss on associate

iFAST Financial India Pvt Ltd (“iFAST India”), an associate of the Group through iFAST India Holdings Pte Ltd (“IIH”, the ultimate holding company of iFAST India) where iFAST Corporation Ltd has a 41.5% shareholding, is an India-incorporated company engaged in the distribution of investment products including mutual funds in India.

The Securities and Exchange Board of India (SEBI) had released a circular to disallow the usage of pool accounts for mutual funds transactions, and the effective date of implementation of this latest rule is 1 July 2022. With this regulatory change, the Management of iFAST India and IIH had assessed that the India onshore platform service business had significantly been impaired as the ban of pool accounts had undermined the ability of iFAST India to provide an efficient online platform service to onshore clients and business partners. The Management of iFAST India and IIH had consequently made the decision to exit from the onshore platform service business given the challenging and restrictive regulatory landscape in India.

With taking into consideration the above-mentioned business restructuring of iFAST India, the Group had done its assessment and provided impairment allowance of \$5.2 million for impairment of carrying amount of the Group’s investment in IIH and the Group’s receivable amounts due from IIH and iFAST India as at 30 June 2022.

Interest expense on lease liabilities

Interest expense on lease liabilities increased by 73.0% from \$0.15 million in 2Q22 to \$0.26 million in 2Q23 and 27.6% from \$0.28 million in 1H22 to \$0.35 million in 1H23, due mainly to extension of our Malaysia operation’s office leasing period in the quarter.

Share of results of associates, net of tax

The Group’s share of results after tax of associates comprised share of results of associates, mainly including Providend Holding Pte Ltd (“Providend”), Raffles Family Office China Ltd and Harveston Capital Sdn Bhd in the quarter.

The Group’s share of profit after tax of associates decreased from \$0.40 million in 1H22 to \$0.23 million in 1H23, due mainly to the Group’s share of higher positive performance of Providend which benefitted from an ad-hoc gain obtained by Providend in 2Q22.

On 27 June 2023, the Company has entered into a sale and purchase agreement with Providend for the disposal of the Company’s entire interest of 30.34% in Providend at total consideration of \$3,900,000 in cash (“Disposal of Shares”) with an amount of \$1,950,000 paid on 30 June 2023 and the remaining amounts of \$1,950,000 to be paid during the next three years before 30 June 2026. The net asset value represented by the Disposal of Shares in Providend was approximately \$3,265,000. The Company has de-recognised Providend as associate and recorded a gain of \$0.63 million, included in other income, upon de-recognition of Providend as associate in 2Q23.

Profit / (Loss) 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			Group		
	2Q23 \$'000	2Q22 \$'000	Change %	1H23 \$'000	1H22 \$'000	Change %
Singapore	6,224	3,563	74.7	10,759	8,934	20.4
Hong Kong	1,763	1,693	4.1	4,050	3,882	4.3
Malaysia	1,254	494	153.8	2,097	2,251	(6.8)
China	(1,832)	(1,846)	(0.8)	(3,586)	(3,500)	2.5
Other ⁽¹⁾	(1)	670	NM	225	401	(43.9)
Non-banking operations	7,408	4,574	62.0	13,545	11,968	13.2
United Kingdom - banking operation	(2,229)	(952)	134.2	(3,935)	(952)	313.3
Profit before tax ⁽²⁾	5,179	3,622	43.0	9,610	11,016	(12.8)
Impairment loss related to an associate	-	(5,200)	NM	-	(5,200)	NM
Tax expense	(1,585)	(1,115)	42.2	(3,039)	(2,773)	9.6
Net profit after tax ⁽²⁾	3,594	(2,693)	NM	6,571	3,043	115.9

Notes:

(1) Referring to share of results of associates.

(2) Attributable to owners of the Group.

NM denotes not meaningful

The Group's profit before tax from non-banking operations increased by 62.0% from \$4.57 million in 2Q22 to \$7.41 million in 2Q23 and 13.2% from \$11.97 million in 1H22 to \$13.55 million in 1H23, due mainly to the combined effects of a growth of 11.8% YoY in net revenue of the Group's non-banking operations in 2Q23 and a save of 0.4% YoY in operating expenses of non-banking operations in the quarter.

Tax expense increased by 42.2% YoY to \$1.59 million in 2Q23 and 9.6% YoY to \$3.04 million in 1H23, due mainly to higher taxable profit generated in the quarter.

Overall, the Group's net profit increased by 115.9% YoY from \$3.04 million in 1H22 to \$6.57 million in 1H23.

Statement of Financial Position

The shareholders' equity of the Group increased to \$230.05 million as at 30 June 2023 from \$222.49 million as at 31 December 2022. This was due mainly to contribution of net profit generated in 1H23 and increases in reserve from translation of foreign operation resulting from appreciation of Pound Sterling in the period.

The Group's cash and cash equivalents and investments in financial assets (categorised as other investments under current assets), net of bank loans and deposits and balances of customers, decreased to \$60.79 million as at 30 June 2023 from \$84.09 million as at 31 December 2022. This was due mainly to dividend payments to shareholders, additions of plant and equipment, intangible assets, office lease payments and purchase of non-current investments in financial assets in the period, partially offset by net cash generated from operating activities in 1H23.

Current assets increased to \$377.24 million as at 30 June 2023 from \$328.13 million as at 31 December 2022. This was due mainly to increases in trade and other receivables as well as receivables from uncompleted contracts on securities dealing at end of the period.

Non-current assets increased to \$147.64 million as at 30 June 2023 from \$130.41 million as at 31 December 2022. This was due mainly to increases in ROU assets, additional non-current investments in financial assets and some additional project setup costs incurred for the Hong Kong e-Pension project contract in the period.

Total liabilities increased to \$286.81 million as at 30 June 2023 from \$227.82 million as at 31 December 2022. This was due mainly to increases in payables from uncompleted contracts on securities dealing at end of the period and increases in amounts of deposits and balances of customers in the period.

Consolidated Statement of Cash Flows

Net cash from operating activities increased from \$8.00 million in 2Q22 to \$26.34 million in 2Q23, and from \$16.38 million in 1H22 to \$17.77 million in 1H23. These were due mainly to higher cash generated from operating activities in the period and significant increases in customer deposit amounts in UK bank operation in 2Q23.

Net cash used in investing activities decreased from \$12.18 million in 2Q22 to \$5.30 million in 2Q23, due mainly to lower amount of net investments in financial assets in 2Q23. Net cash used in investing activities was \$30.19 million in 1H23 while net cash from investing activities was \$22.11 million in 1H22, due mainly to net cash of \$49.53 million obtained from acquisition of UK bank operation in March 2022.

Net cash used in financing activities decreased from \$11.07 million in 2Q22 to \$6.60 million in 2Q23, due mainly to additional drawdown of bank loans in 2Q23. Net cash used in financing activities was \$8.53 million in 1H23 while net cash from financing activities was \$90.49 million in 1H22, due mainly to proceeds of \$103.33 million from share placement conducted in January 2022.

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 Group's profit before tax from its ongoing non-banking operations grew by 62.0% YoY to \$7.41 million in 2Q23. This came on the back of an 11.8% YoY increase in net revenue to \$28.98 million in 2Q23.

The increase reflected a steadily improving business trend for our core wealth management platform business as financial markets conditions show relatively more stable trends in 1H23 compared to the very tough conditions in 2022.

Our banking business reported a loss of \$2.23 million in 2Q23 as we are in the early stages of building up our Digital Transaction Banking (DTB) and Digital Personal Banking (DPB) Divisions.

Overall, the Group's net profit increased by 115.9% YoY to \$6.57 million in 1H23.

Going forward, we expect the Group's overall revenue and profitability to show substantial improvements, starting with 2H23. With this, we expect the Group's profitability in 2023 to be substantially better than in 2022.

The expected improvements will come about as our ePension division in Hong Kong starts to contribute more substantially, and as our core wealth management platform business continues to progress.

Contributions from iFAST Global Bank are expected to still be negative in 2H23. However, we expect iFAST Global Bank to play a major role in the growth of the Group in the medium to long term, particularly beyond 2025.

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	1.10 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	1.10 cents per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

The interim dividend will be paid on 21 August 2023.

(d) Record date

The Register of Members and Share Transfer Books of the Company will be closed on 8 August 2023 for the preparation of dividend warrants to the second 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 7 August 2023 ("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 second 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 second 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 second quarter and half year ended 30 June 2023 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. Segmented revenue and results for business segments or geographical segments (of the group), with comparative information for the corresponding period of the immediately preceding financial year.

Geographical segments	Singapore \$'000	Hong Kong \$'000	Malaysia \$'000	China \$'000	United Kingdom \$'000	Others \$'000	Total \$'000
1H23							
Revenue and expenses							
Revenue from external customers	64,904	20,027	11,332	1,195	5,487	-	102,945
Interest revenue from external customers	1,982	228	147	51	2,786	-	5,194
Inter-segment revenue	2,457	76	1,963	97	-	-	4,593
Total revenue	<u>69,343</u>	<u>20,331</u>	<u>13,442</u>	<u>1,343</u>	<u>8,273</u>	<u>-</u>	<u>112,732</u>
Depreciation of plant and equipment	(1,086)	(136)	(196)	(128)	(23)	-	(1,569)
Depreciation of right-of-use assets	(1,752)	(1,117)	(145)	(475)	(230)	-	(3,719)
Amortisation of intangible assets	(4,887)	(33)	(396)	(18)	-	-	(5,334)
Reportable segment profit / (loss) before tax	10,759	4,050	2,097	(3,722)	(4,396)	-	8,788
Share of results of associates	-	-	-	-	-	225	225
Assets and liabilities							
Reportable segment assets	211,653	46,421	29,630	4,539	232,217	-	524,460
Equity-accounted associates	-	-	-	-	-	417	417
Capital expenditure	2,298	1,987	1,507	146	171	-	6,109
Reportable segment liabilities	<u>110,016</u>	<u>20,401</u>	<u>15,166</u>	<u>3,318</u>	<u>137,912</u>	<u>-</u>	<u>286,813</u>
1H22							
Revenue and expenses							
Revenue from external customers	64,942	22,132	11,648	1,392	5,565	-	105,679
Interest revenue from external customers	665	27	117	42	309	-	1,160
Inter-segment revenue	2,289	111	1,841	63	-	-	4,304
Total revenue	<u>67,896</u>	<u>22,270</u>	<u>13,606</u>	<u>1,497</u>	<u>5,874</u>	<u>-</u>	<u>111,143</u>
Depreciation of plant and equipment	(1,214)	(148)	(240)	(142)	(41)	-	(1,785)
Depreciation of right-of-use assets	(1,679)	(1,137)	(254)	(563)	-	-	(3,633)
Amortisation of intangible assets	(4,360)	(39)	(313)	(20)	(1)	-	(4,732)
Impairment loss on associate	-	-	-	-	-	(5,200)	(5,200)
Reportable segment profit / (loss) before tax	8,934	3,882	2,251	(3,630)	(1,120)	(5,200)	5,117
Share of results of associates	-	-	-	-	-	401	401
Assets and liabilities							
Reportable segment assets	194,978	42,601	27,799	6,050	185,442	-	456,870
Equity-accounted associates	-	-	-	-	-	3,513	3,513
Capital expenditure	3,888	128	482	29	23	-	4,550
Reportable segment liabilities	<u>77,834</u>	<u>21,535</u>	<u>12,743</u>	<u>4,447</u>	<u>109,344</u>	<u>-</u>	<u>225,903</u>

17. Other notes to consolidated financial statements

17.1 Other investments - investments in financial instruments

	Group	
	30-Jun-23	31-Dec-22
	\$'000	\$'000
<u>Non-current</u>		
Financial assets at FVOCI		
- Unquoted equity shares	4,523	2,581
	<u>4,523</u>	<u>2,581</u>
Quoted financial assets at amortised cost		
- Debt investments	24,537	20,453
	<u>24,537</u>	<u>20,453</u>
	<u>29,060</u>	<u>23,034</u>
<u>Current</u>		
Quoted financial assets at FVOCI		
- Debt investments	6,129	6,824
- Equity investments	44	46
	<u>6,173</u>	<u>6,870</u>
Quoted financial assets at FVTPL		
- Debt investments	8,917	7,626
	<u>8,917</u>	<u>7,626</u>
Quoted financial assets at amortised cost		
- Debt investments	45,960	27,215
	<u>45,960</u>	<u>27,215</u>
	<u>61,050</u>	<u>41,711</u>

17.2 Fair value measurement

The Group has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group:

Investments in financial instruments

The fair value of investments in financial instruments is determined by reference to its bid price, recent transaction price or cost at the reporting date.

Intra-group financial guarantees

The value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the bank with these guarantees made available, with the estimated rates that the banks would have charged had these guarantees not been available.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	30-Jun-23			31-Dec-22		
	Carrying amount \$'000	Fair value - Level 1 \$'000	Fair value - Level 3 \$'000	Carrying amount \$'000	Fair value - Level 1 \$'000	Fair value - Level 3 \$'000
Financial assets measured at fair value						
Unquoted equity shares	4,523	-	4,523	2,581	-	2,581
Quoted financial assets at FVOCI	6,173	6,173	-	6,870	6,870	-
Quoted financial assets at FVTPL	8,917	8,917	-	7,626	7,626	-
Money market funds	16,647	16,647	-	14,165	14,165	-
Financial assets not measured at fair value						
Uncompleted contracts - buyers	77,080	-	-	51,281	-	-
Trade and other receivables	99,659	-	-	78,601	-	-
Quoted financial assets at amortised cost	70,497	70,117	-	47,668	47,485	-
Cash at bank and in hand	117,501	-	-	136,965	-	-
Financial liabilities not measured at fair value						
Uncompleted contracts - sellers	(77,010)	-	-	(50,276)	-	-
Trade and other payables	(49,861)	-	-	(51,863)	-	-
Deposits and balances of customers	(119,250)	-	-	(96,545)	-	-
Bank loans	(15,161)	-	-	(12,210)	-	-

17.3 Held under trust

Certain non-banking subsidiaries in the Group receive and hold monies deposited by clients and other institutions in the course of the conduct of the regulated activities. These clients' monies are maintained in one or more trust bank deposit accounts or treasury accounts holding government debt securities allowed by regulators in the markets these subsidiaries operate in, which are separately maintained from the bank or treasury accounts of these subsidiaries in the Group.

	Group	
	30-Jun-23 \$'000	31-Dec-22 \$'000
Client monies maintained in bank deposit accounts	1,021,644	933,368
Client monies maintained in government debt securities treasury accounts	911	-
Client ledger balances	(1,022,555)	(933,368)
	<u>-</u>	<u>-</u>

BY ORDER OF THE BOARD

Lim Kian Thong
Chief Financial Officer
25 July 2023