

FOR IMMEDIATE RELEASE

iFAST Corp reports decline of 40.5% YoY in 1H2016 net profit due to higher expenses to broaden the platform's capabilities and adverse market conditions

- The Group communicated that it continued to make progress towards achieving its long-term vision of being an integrated investment products distribution platform, which is key to robust growth rates in the medium to long term in Asia's wealth management industry
- In the short term, however, adverse equity market conditions affected the Group's financial performance. With Asia ex-Japan markets hitting 5-year lows in the first half of this year, the Group's net revenue (excluding China) declined 10.6% YoY in 1H2016
- Expenses for the Group (excluding China) increased 7.0% YoY in 1H2016, reflecting the Group's continued push towards broadening the range and depth of our products and services
- The combined impact of a decline in net revenue and an increase in expenses resulted in a 40.5% decline in the Group's net profit (excluding China)
- As the recently-launched China Business is at the initial investment phase, an operating loss of S\$1.56 million was registered in 1H2016
- In June 2016, iFAST China completed the sale of a 5% stake for US\$1.75 million, leading to a gain of S\$2.15 million for the Group. This gain was however recognised directly in equity, instead of income statement
- The Directors have proposed a second interim dividend of 0.68 cents per ordinary share for 2Q2016 (2Q2015: 0.68 cents per ordinary share)
- The Group is also updating its 2016 Dividend Guidance to:
"For FY2016, our Directors intend to recommend and distribute dividends of 60% **or more** of our Group's net profit (excluding our China operation, and exceptional items)"

SINGAPORE (29 July 2016) – iFAST Corporation Ltd. ("iFAST Corp" and together with its subsidiaries, the "Group") reported its financial results for the second quarter (2Q2016) and first half of 2016 (1H2016).

In 1H2016, the Group (excluding China) reported a 40.5% Year-on-Year (YoY) decline in net profit to S\$3.95 million. Including its China operation, the Group's net profit fell 62.0% YoY to S\$2.39 million in 1H2016, as the recently-launched China Business is at the initial investment phase and registered an operating loss of S\$1.56 million over the same period. Following an agreement with an online media company in China to launch transactional capabilities for their customers to transact into funds in 1Q2016, and the recruitment of wealth advisers, the China Business's gross revenue stood at

S\$0.24 million and net revenue stood at S\$0.05 million in 1H2016.

In 2Q2016, the Group's net revenue fell 14.9% YoY to S\$9.68 million, while net profit fell 65.2% to S\$1.14 million. Excluding the China operation, the Group's net revenue fell 15.4% YoY to S\$9.63 million while net profit fell 46.8% YoY to S\$1.87 million in 2Q2016.

With the Asia ex-Japan markets dropping by more than 20% in 1H2016 from its 5-year high in 2Q2015, the Group's net revenue (excluding China) declined 10.6% YoY in 1H2016. Net sales, while positive at S\$54 million in 2Q2016 and S\$95 million in 1H2016, could not negate the negative impact on the Group's Assets under Administration (AUA) from the sharp downturn in global equity markets at the start of 2016 as well as following the market reaction post-Brexit in June 2016; the Group's AUA fell 1.5% YoY but rose 2.1% Quarter-on-Quarter (QoQ) to S\$5.63 billion as at 30 June 2016. The contribution from bonds to the Group's AUA (which was launched in Singapore in 2Q2015 and in Hong Kong for a number of years) at the Group's AUA level stood at 5.9% (with a YoY growth rate of 47.4% and QoQ growth rate of 8.5%) as at 30 June 2016.

Analysis Across Geographical Segments

In Singapore, net profit decreased by 32.0% YoY to S\$3.85 million in 1H2016. The drop in Singapore's profit resulted from the combined impact of declines in net revenue due to the negative global financial markets sentiment in 1Q2016 as well as the market reaction post-Brexit in June 2016, and increases in operating expenses related to the enhancement of the platform's capabilities and improvement in the range of investment products and services being provided to customers. The Singapore Business received formal registration as a CDP Depository Agent in July 2016, which is a positive step towards its eventual introduction of stocks targeted for the end of the year.

Subscriptions into bonds, including transfer-in amounts, increased by 110.0% Quarter-on-Quarter (QoQ) from S\$13.55 million in 1Q2016 to S\$28.46 million in 2Q2016, as investors continued to show interest in yield-enhancing investment products. Singapore remains the Group's major contributor in terms of AUA, net revenue and profit.

Hong Kong's net profit decreased by 92.1% YoY to S\$0.08 million in 1H2016. The decline was mainly due to the sharp sell-down in the China/Hong Kong equity markets in the period. Following the acquisition of iFAST Securities (HK) Limited (formerly known as Winfield Securities Limited) in 1Q2016, the Hong Kong platform will launch an integrated wealth management platform that includes stock transactional capabilities in 3Q2016. The enhanced range of investment products

(funds, bonds, Exchange Traded Funds and stocks) on the Hong Kong B2B platform will give the financial institutions using our platform the capabilities of a ‘mini private bank’ and have the ability to seamlessly advise their clients across a full range of investment asset classes.

After breaking even in 2015, Malaysia’s net profit rose 690.0% YoY to S\$0.08 million in 1H2016. In Malaysia, the significant growth of business and AUA contributed to the increase in net revenue, despite the volatile market sentiment in the period. The China business was soft launched in March 2016; the China operation’s loss increased to S\$1.56 million in 1H2016, a YoY increase of 340.1%. Following an agreement with an online media company in China to launch transactional capabilities for their customers to transact into funds in 1Q2016, and the recruitment of wealth advisers, the China Business’s gross revenue stood at S\$0.24 million and net revenue stood at S\$0.05 million in 1H2016.

Dividend Guidance for FY2016

In 2016, the Group’s Dividend Guidance is: “For FY2016, our Directors intend to recommend and distribute dividends of 60% of our Group’s net profit (excluding our China operation, and exceptional items)”. The Group is also updating its 2016 Dividend Guidance to:

*“For FY2016, our Directors intend to recommend and distribute dividends of 60% **or more** of our Group’s net profit (excluding our China operation, and exceptional items)”*

For the second interim dividend for 2Q2016, the Directors proposed a dividend per share of 0.68 cents per ordinary share, that is equivalent to about 95% of the Group’s net profit (excluding our China operation, and exceptional items). The payout ratio for 2Q2016 is proposed taking into consideration the Dividend Guidance payout of 60% for FY2016.

Table 1: Key financial highlights for Group (excluding China operation) (1H2016 vs 1H2015)

S\$ (Million)	1H2015	1H2016	YoY change (%)
Net revenue	21.24	18.98	-10.6
Expenses	15.12	16.18	+7.0
Net profit attributable to owners of the Company	6.65	3.95	-40.5

Table 2: Key financial highlights for Group (including China operation) (1H2016 vs 1H2015)

S\$ (Million)	1H2015	1H2016	YoY change (%)
Net revenue	21.24	19.04	-10.4
Expenses	15.49	17.85	+15.2
Net profit attributable to owners of the Company	6.29	2.39	-62.0
Gain recognised directly in equity from sale of 5% stake in iFAST China	NA	2.15	NA
Net attributable profit plus gain in reserves from sale in iFAST China stake	NA	4.54	NA

About iFAST Corp

iFAST Corp (stock code: AIY) is an Internet-based investment products distribution platform, with assets under administration (AUA) of approximately S\$5.63 billion as at 30 June 2016.

Incorporated in the year 2000 in Singapore and listed on the SGX-Mainboard in December 2014, iFAST Corp is also present in Hong Kong, Malaysia and China. The Group provides a comprehensive range of investment products and services, to financial advisory (FA) firms, banks, financial institutions, multinational companies, as well as retail and high net worth (HNW) investors in Asia.

The Group offers access to over 3,500 investment products including funds, bonds and Singapore Government Securities (SGS), Exchange Traded Funds (ETFs), as well as insurance products, and services including online discretionary portfolio management services (DPMS), research and investment seminars, financial technology (fintech) solutions, investment administration and transactions services.

iFAST Corp has two main business divisions, namely its Business-to-Consumer (B2C) website, Fundsupermart.com (FSM), targeted at DIY investors; and its Business-to-Business (B2B) platform that caters to the specialised needs of FA companies, banks and financial institutions. Over 5,500 wealth advisers from more than 170 FA companies, banks and financial institutions, use the iFAST B2B platform.

The Group's mission statement is, "To help investors around the world invest globally

and profitably". The Group won the "Most Transparent Company Award 2015, New Issues Category" at the SIAS Investors' Choice Awards 2015, as well as the "Best Investor Relations - Merit Award" for First-Year Listed Companies at the Singapore Corporate Awards 2015.

For more information, please visit www.ifastcorp.com

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The initial public offering (IPO) of shares and listing of iFAST Corporation Ltd. on the Mainboard of the Singapore Exchange Securities Trading Limited (on 11 December 2014) was jointly sponsored by DBS Bank Ltd. and RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) as joint issue managers, bookrunners and underwriters and they assume no responsibility for the contents of this presentation.

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