

Issuer: iFAST Corporation Ltd.
Security: iFAST Corporation Ltd.

Meeting details:

Date: 11 April 2017

Time: 16:30H

Venue: 10 Collyer Quay, #26-01, Ocean Financial Centre, Singapore 049315

Company Description

iFAST Corporation Ltd. operates as an Internet-based investment products distribution platform in Singapore, Hong Kong, Malaysia, and China. It operates through two divisions, Business-to-Business (B2B) and Business-to-Consumer (B2C). The B2B division operates iFAST Central, which provides a range of services, including investment administration and transactions services, research and trainings, IT services, and backroom services to banks, financial advisory firms, and financial institutions. It also operates iFAST Global Prestige, an investment platform designed to meet the requirements of high net worth individuals, as well as the wealth advisers servicing them; and iFAST Pensions that delivers tax-effective employee benefit solutions to multinational companies and their employees, including expatriates, as well as assists companies to administer pension schemes for their employees through an Internet platform. The B2C division offers a distribution and transactional platform for investors through its Fundsupermart.com Website that offers a range of investment tools, customer services support, and research advice, as well as Bondsupermart, a regional bond information portal, which provides various bond information and researches to investors. The company was incorporated in 2000 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=AIY)

Q1. As noted in the annual review (page 17 of the annual report), the group launched the stockbroking business in Hong Kong for the B2B platform in 3Q2016. In the Vision & Outlook section (page 16), it was said that the group will launch its stockbroking services starting 2017.

- a) **Can the company update shareholders on the progress made in its application to become a SGX Trading member?**
- b) **It was also reported that FSMOne has plans to offer US stocks. What is the progress and how soon can this service be launched?**
- c) **What are management’s projections of the impact of the stockbroking business on the group’s Assets under administration (AUA)?**

Q2. The China business was launched in 2016 (page 10 - Chairman & CEO’s Message) and it involves both the B2B platform services as well as to build a team of wealth advisers, as part of a ‘platform-cum-IFA incubator’ strategy.

- a) **Given that the “platform-cum-IFA incubator” strategy deviates from how the group conducts its business in all other markets, can management help shareholders understand why this strategy was adopted? How big a team does the group expect to scale to?**
- b) **Is the projected margin/profitability for the Chinese market substantially different from that of the rest of the group?**
- c) **The group opened a Shanghai office in August 2016. Can shareholders understand if the group only has business in Shanghai currently? If not, what are the other cities that the group is already operating in/targeting to operate in? Would a network of physical office be needed to support the growth of the Chinese business?**
- d) **The China operations is expected to continue to make losses in FY2017. What are some of management’s KPIs for the China operation in FY2017? How soon can the China market be expected to breakeven?**

Q3. In the IPO Prospectus, it was disclosed that, in October 2013, the company “undertook and completed a restructuring exercise, where the operations of our group in India, comprising the distribution of unit trusts in India (“India Business”) and our company’s 51% owned subsidiary, iFAST India, were transferred out of our Group”. The India business then was loss-making and had not obtained the relevant licenses for the efficient running of an investment platform business.

On 11 April 2016, the company proposed to acquire 21.47% of the enlarged share capital of Pecuniam, which is an investment-holding company that wholly owns iFAST India Investments Pte Ltd (“iFAST India”), a Singapore-incorporated company, which in turn owns a 74.72% stake of iFAST Financial India Pvt Ltd (“IFI”), an India-incorporated company engaged in the distribution of investment products including mutual funds in India. The acquisition was completed on 20 April 2016 and the company subsequently increased its stake in Pecuniam to 21.76% in July 2016.

It was also disclosed that the India business has already been operating an investment platform targeted at B2C and B2B clients since 2009 with the assets under administration (AUA) of Indian Rupee 10.96 billion as at 29 February 2016.

- a) **Can the company elaborate further on the group’s plans in India?**
- b) **What is the potential of the India business in terms of growth and targeted AUA?**
- c) **Currently, is IFI profitable? If not, how soon does the group expect IFI to breakeven?**