



8I Holdings Limited
Annual Report FY2018



About 8I Holdings

8I Holdings Limited (“the Group” or “8IH”) is an Australia-listed investment holding company engaged in the businesses of financial education, public and private market investments, and financial technology.

The Group is the leading financial education provider in Singapore and Malaysia through 8VIC Global Pte Limited (“8VIC”), with offices in Singapore, Malaysia, Thailand, Taiwan and Australia, supporting a community of value-investors from 24 cities globally. Through Hidden Champions Capital Management Pte Ltd (“HCCM”), the Group operates a licensed fund management business in Singapore, investing in public listed equities in the Asia-Pacific through a focused strategy of investing in low-profile underappreciated Asian Hidden Champions to achieve long-term investment returns. The Group also invests in private businesses with hidden value and good operational track records. As a strategic investor, the goal is to value-add and create synergy amongst 8IH’s business ecosystem. 8Bit Global Pte Ltd (“8Bit”), a joint-venture between the Group and 8VIC, provides smart screening and proprietary investing analysis tools and passive investment products to enable the man-on-the-street investors to manage investment risk better and make smarter investing decisions.

Our Mission

*We Empower People to Create
Sustainable Wealth*

Our Core Values

The Core Values that Defines Us.

**WE TAKE CARE
OF ONE ANOTHER
LIKE FAMILY**

**WE ENJOY
WHAT WE DO**

**WE MAKE
IT SIMPLE**

**WE UPHOLD
THE TRUST OF OUR
STAKEHOLDERS**

**WE ARE
VALUE-CONSCIOUS
(FOR THE PRICE PAID)**

**WE KEEP
OUR HEARTS
& MINDS OPEN**

**WE WORK TOWARDS
MASTERY WITHOUT
INVALIDATION OF
SELF & OTHERS**

**WE DO WHAT
WE THINK & SAY**

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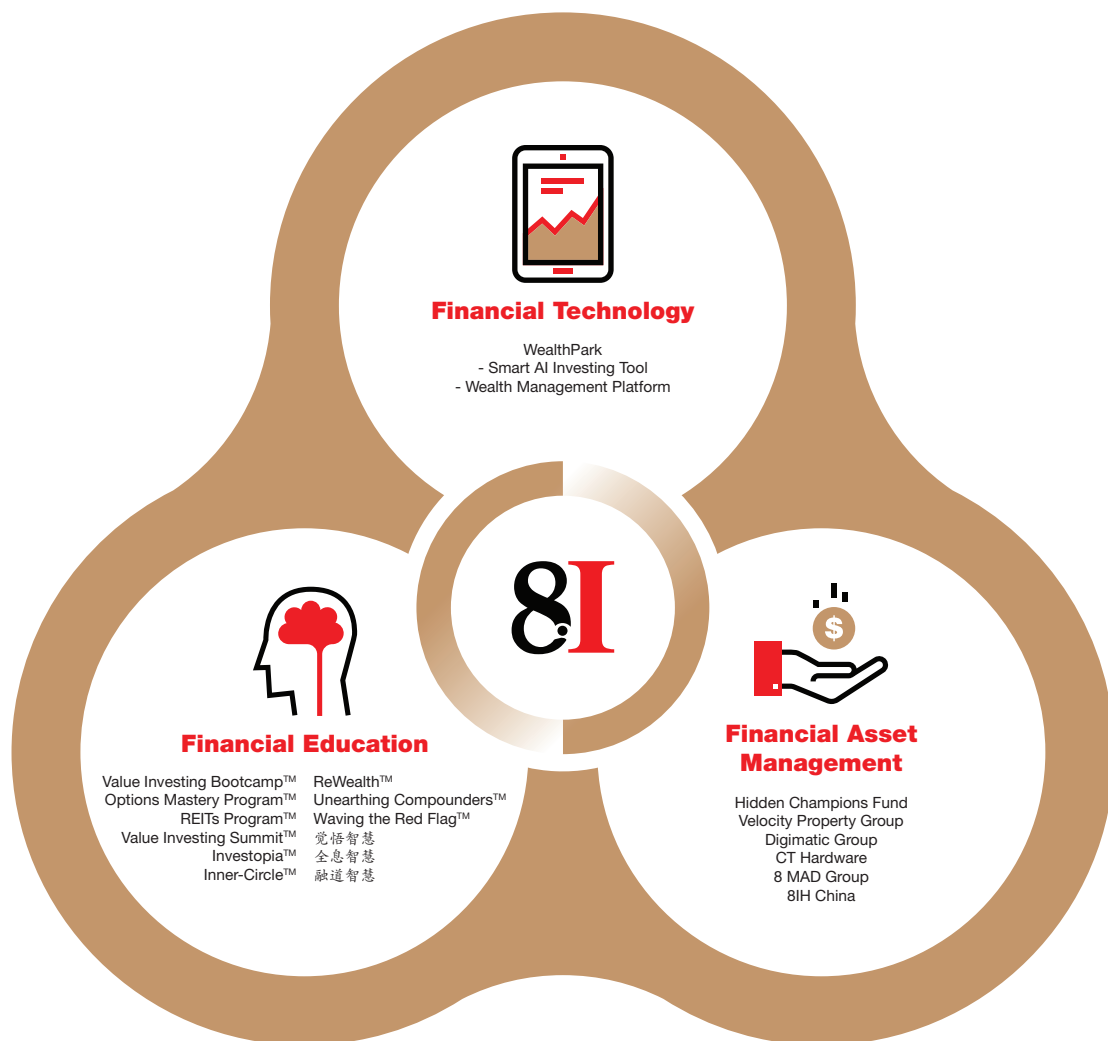
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Group Overview

8I Ecosystem

02

8I Ecosystem



At 8I, we continue to strengthen our business ecosystem to create a single platform to share value investing knowledge and to empower our growing community to make smart investment decisions by applying the principles of value investing.

02

Strategic Overview

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Chairman's Message

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat”

- Man in the Arena, Theodore Roosevelt (1910).



Dear Valued Partners,

After co-founding and building 8I for the past ten years, we reported our first loss for the financial year ended 31 March 2018. This was not our intention to mark such a major milestone in this unpleasant manner.

It is, however, our intention to disrupt and refine our business model in order to become sustainable and allow us to scale robustly forward into the next decade. This is especially critical when the world is moving rapidly towards globalisation and digitalisation with data analytics, artificial intelligence (“AI”) and machine learning.

A trend that is happening in the USA for the last five years pertaining to our industry is that more funds are flowing out from the traditional active fund management into passive fund management using factor-based Exchange Traded Funds (“ETFs”) such as those offered by VanGuard and the emergence of smart robo-advisory technological platforms (Betterment and WealthFront). We will see this trend happening in Asia soon as the processing power of the computing chip continues to accelerate with decreasing production cost. This will enable the machines to get smarter as time goes by at an amazing speed and equipped with the ability to crunch trillions of data points.

Personally, I would want my invested company’s management to be proactive and paranoid to such structural changes that will erode any past competitive advantages, leading to old existing business models becoming irrelevant.

8IH is in the midst of a deep transformation as stated in my last FY2017 Chairman’s letter and there is no turning back. This is what my team and I are determined to do.

Let me touch on three main points:

1. Despite the absence of the one-off gain of S\$10.4 million from the disposal of a subsidiary in FY2017 by the Private Market business unit, 8IH’s revenue from its core operations grew from S\$17.3 million to S\$20.5 million in FY2018. This was mainly contributed by our education subsidiaries, which underwent a regional expansion in the last 12 months, opening up new offices in Taiwan, Thailand and Australia. As with any new overseas expansion, it requires initial capex investments. When we first ventured into Malaysia (Kuala Lumpur) in 2012, we had to provide human and financial capital, as well as the IP know-how for at least three years without knowing if we will succeed. Now, the Malaysia market (Kuala Lumpur, Penang and Johor) is one of our fastest growing markets with a strong team leading the education operations there.
2. A major expansion and business model refinement exercise underway accounts for the 37.7% increase in Administrative Expenses. This was mainly due to hiring of new talents, which led to a 46.3% increase in salaries paid, and the leasing of new office spaces and special events costs by 8VIC, 8IH China Pte Ltd (“8IH China”) and 8 MAD Group Sdn Bhd (“8 MAD”) also account for the increase in the Administrative Expenses. Having said that, we are monitoring this cost closely and making appropriate

Chairman's Message

corrections without sacrificing the long-term objectives of building a more resilient business with greater scalability and higher recurring income.

Several shareholders have expressed deep concerns regarding this matter and requested for more information on our employment cost. Please see the breakdown below:

Employee Costs

	FY2018 S\$'000	FY2017 S\$'000	Difference S\$'000	Difference %
Directors' Remuneration	667	740	(73)	-10
Investment & Corporate Office Unit	2,003	1,782	221	12
Education Unit	3,298	2,024	1,274	63
Investee Companies	1,339	1,107	232	21
Newly Acquired Subsidiaries	964	-	964	N.A
	8,271	5,653	2,618	46

As shown above, the main contributors to the increase in employee costs are the Education unit and newly acquired subsidiaries, namely Digimatic Group Ltd ("DMC") and its subsidiaries. The increase in the Education unit's employee cost of 63% was mainly due to the increase in weighted average headcount from 37 in FY2017 to 65 in FY2018. This jump in headcount is the result of the merger of 8I Education and Financial Joy Institution in FY2017 to form 8VIC Global Pte Ltd ("8VIC"), and the rapid growth in 8VIC's overseas establishments in Thailand, Taiwan and Australia.

Clive and I had initially taken a 15% pay reduction in the second half of FY2018 and further increase the pay reduction to 30% starting in FY2019. This also includes a pay and bonus freeze for all 8IH corporate and investment team members in FY2019 to be aligned with all our shareholder interests. Please note that I am still staying in a public housing flat in Singapore, happily eating in hawker centres (I bump into some shareholders frequently at my neighborhood market) and my children are attending a mass market pre-school. In a nutshell, my values have not changed since day one when I started 8I with Clive in 2008. And if there are any key managers who are not aligned with 8IH values, they will either leave or we will invite them out of the Group eventually.

3. We have slowed down our pace in the private market investment space over the last 18 months in order to:

A) Build up our own AI-based Financial Technology unit. 8Bit Global Pte Ltd ("8Bit") is set to launch our first Smart Investing App known as "WealthPark" soon. The mission is to empower more lives to make better and safer investment decisions based on our unique proprietary formula in Value Investing. This platform will be opened to the 8VIC's network first before scaling it to the public. I believe if we focus and build this idea

right, it will create great value to our targeted market and in return generate a steady recurring operational cash-flow, and eventually be extremely valuable to the 8I ecosystem. We will have a full product demonstration for phase 1 launch at the upcoming AGM.

B) Support our existing investee companies in strengthening and growing their businesses. These include supporting Hidden Champions Capital Management Pte Ltd ("HCCM") who manages Hidden Champions Fund to raise AUM, supporting 8VIC's global expansion, providing consultancy and potential partnership contacts to 8IH China, 8 MAD Group and CT Hardware to strengthen and grow their businesses. Going forward, we will be focusing on divesting non-core investments and only acquire and partner with operating businesses that can enhance the eco-system for our Financial Education, Financial Asset Management and Financial Technology.

C) Drill down to the core essence of 8IH; an asset-light, knowledge-based organisation that invests in Research & Development and constant innovation in the areas of financial education, wealth creation and wealth management platform rooted in Value Investing principles with a strong 8IH culture. In other words, this is 8IH's moat – our intangible know-how. As a manifestation of this, we use this core competency to:

- i) Manage, invest and generate sustainable long-term investment returns;
- ii) Share more financial insights with our graduate network;
- iii) Create new financial and business training programs for potential joint ventures and licensing opportunities;
- iv) Support our private investees to improve their business models or enhance their M&A activities with greater synergy;
- v) Embed AI technology in our investing and wealth management app so more people around the world can invest safely and manage their wealth easily; and
- vi) Pioneer new intellectual proprietary features such as "Integrity Score", "Factor Based Index" and advance stock screener as premium analysis tools in WealthPark.

Next, I would like to address the concept of "Risk" as a pragmatic entrepreneur and investor, especially in three areas:

1. New Business Venture Risk

Some shareholders have voiced out their concerns about whether we were taking too much risk in our new venture into financial technology.

There is a stark difference between "Risk" and "Risky".

Whether you should take a risk depends not just on the probability that you are right but also on the consequences if you are wrong.

Chairman's Message

To make reliable, good decisions, you must always weigh how right you think you are against how sorry you will be if your decision turn out to be a mistake.

In this case, we are building the financial technology platform exclusively for our 8VIC's graduates first, leveraging on the robust infrastructure, growing quality database, strong brand goodwill and the regional network effect before spending any resources opening up to the public.

This approach also provides us valuable insights and data points to study and fine-tune the features in the platform first, creating a smarter and user-friendly investing tool before we scale and serve our intended public market better.

If the new business venture fails, our losses will be limited to the initial phase.

However, if we go straight to the public like most financial technology firm, then it will be risky due to expensive customer acquisition cost and a high capital burn rate.

2. Investing in Public Company Risk

I have shared with our former CIO on numerous occasions that we should be careful in allocating more than 20% of our portfolio into one single public company, especially for small capitalisation businesses with limited liquidity for a simple reason; Do you have the core operational capability to step in and run the business if something turns out wrong in your assessment? If the answer is an affirmative, then we should load up as much as possible if the fundamentals are strong with an attractive price to its valuation. If the answer is no and you still do it, then, this is "Risky" in my humble opinion. We must be mindful not to let personal ego and academic intelligence override common business sense.

With that in mind, we have refined our risk management policy and implemented the "multi-counsellor" system to ensure the fund does not carry out a "Risky" manoeuvre by allocating a high proportion of our fund capacity into businesses which we do not have the expertise to turn the ship around in difficult times.

3. Debts and Key Man Risk

I always remember what Charlie Murger said when I attended the Berkshire Hathaway AGM in 2009, "Tell me where I will die, and I will never go there".

In this case, many corporate graveyards are filled by victims of over-leverage and high borrowings.

Recently, I saw good companies with decent management being brought down to their knees seeking creditor protection with massive debt and asset value write-down due to change of business climate.

Any company with huge total debt to equity ratio will experience greater difficulty and find it more challenging to turn the ship around when the storm suddenly appears and lasts longer than expected.

Thus, I am constantly aware that 8IH must operate more sensibly and prudently in the area of financial discipline. We have low leverage on our existing web of eco-system in

education, asset management and technology.

The next risk that we are really careful about is key man risk.

In the first six years of 8I's operations, this was the greatest risk in 8I – with the key men being Clive and myself.

This is because we trained, spoke and also held the responsibility of investing the company's cash flow.

In addition, a corporate episode happened in early 2013 which further deepened this concern.

Thus, from that moment onwards, we actively seek to design and build a structure that relies on culture, team work, processes and technology instead of key individual superheroes.

We have done it for the education unit where our next generation young leaders and trainers now take the stage and currently we are implementing this system for the investment unit.

Everything that we do today, we will always execute with the next decade in mind, even though the actions may not be apparent at present. Most people may not be able to understand and appreciate what we do, just like how we first started spreading the Value Investing knowledge and movement during the depth of Great Financial Crisis in 2008. It takes a lot of convictions and "craziness" to do what we did. And today, the Group is leading in the Financial Education space across South-East Asia region.

Just like what my young friend commented recently when I asked him to get his friends to join us for our famous 5AM daily exercise, "My friends say we are the odd balls. The crazy ones. Because most people will be sleeping at a God-forbidden hour at 5AM, let alone exercising!" However, today, the results in our physical and mental health show and silence the critics of yesterday.

Lastly, I want to give thanks to all our past team members for their valuable contributions and also learning experiences. Most importantly, my deepest appreciation to the current team members who believe firmly in our business transformation and are working hard towards our vision; our board members, shareholders, strategic partners, associates, friends, families and loved ones who never waiver in their faith towards us during the good and challenging times.

Like a Chinese saying; "You will only know the enduring stamina of a horse when the journey is long and you will see a person's true character and his heart over a long period of time" (路遥知马力, 日久见人心).

Wishing you great health, loving relationships and abundance.

May your kindness to me and others always return to you and your loved ones abundantly.

And take massive action towards your dreams. Never, ever give up.



*And here's to the crazy ones
who believe in 8IH's vision after
10 years and another decade to
come.*

Ken Chee

Ken Chee
Executive Chairman

Here's to the crazy ones.

The misfits. The rebels. The troublemakers.

The round pegs in the square holes.

The ones who see things differently.

They're not fond of rules.

*And they have no respect for the
status quo.*

*You can quote them, disagree with them,
glorify or vilify them.*

*About the only thing you can't do is
ignore them.*

Because they change things.

They push the human race forward.

*And while some may see them as the
crazy ones, we see genius.*

*Because the people who are crazy enough
to think they can change the world, are the
ones who do.*

- Steve Jobs

Board of Directors



Ken Chee

Chairman & Executive Director

Ken Chee was appointed Chairman & Executive Director in May 2014. He is a co-founder of the 8I Group and is based in Singapore.

Ken graduated from the Singapore Polytechnic with a Diploma in Banking and Financial Services, and the University of Queensland with a Bachelor's Degree in Business Administration. He also attended Columbia Business School in New York and graduated from its Executive Program in Value Investing.

As an experienced marketing executive and entrepreneur, Ken's professional experiences include roles as a marketing specialist at Quicken (Singapore) and Regional Business Development Manager at Telekurs Financial. Within the 8I Group, Ken is one of the key executives involved in the strategic development and partnerships for the Group.

Ken was awarded the Spirit of Enterprise, Honoree Award in 2005 by the President of Singapore for outstanding business results. He is also a Young Presidents' Organisation member within the Singapore Chapter.



Clive Tan

Executive Director

Clive Tan was appointed Executive Director in May 2014. He is a co-founder of the 8I Group and is based in Singapore.

Clive graduated with an Honours Degree from the Nanyang Technological University in Mechanical and Production Engineering and attended University of Technology, Sydney on an academic exchange program. He also holds a Post-Graduate Diploma in Education from the National Institute of Education.

Clive started his professional career as a secondary school educator in Singapore. While teaching, the concept of value investing caught his attention and triggered his interest in investment. His entrepreneurial journey started when he and his wife acquired a childcare centre.

Since inception of the 8I Group in 2008, Clive is responsible for the strategic planning, development, corporate policies and risk management of the businesses. He is also deeply involved in the development of corporate policies and management of the Group's Human Capital. Clive also chairs the board of Australian-listed Digimatic Group Limited.

Board of Directors



Charles Mac
Non-Executive Director

Charles Mac was appointed Non-Executive Director in April 2016.

Charles has more than 18 years of experience in the SAP IT industry, dealing with multinational companies in the Asia Pacific Region. He has held various leadership roles for large, global multinational companies with extensive experience across Asia Pacific in Team Management, Quality Management, Audits, Business Development and Contract Deliveries. He is an Australian citizen and holds a Bachelor of Computing (Information System) from Monash University.

Charles currently serves on the Board of an Australian-listed company, Ennox Group Limited as a Non-Executive Director.



Chay Yiowmin
Non-Executive Director

Chay Yiowmin was appointed Non-Executive Director in September 2014.

Yiowmin heads BDO Singapore's Corporate Finance since 2012, providing business advisory services in the areas of mergers and acquisitions, corporate restructuring, financial modelling, corporate and financial instruments valuation, and financial and operational due diligence. Yiowmin has more than 19 years of public accounting experience in Singapore and the United Kingdom. Prior to joining BDO, Yiowmin has worked with various large multinational accounting firms, including PricewaterhouseCoopers, Deloitte and Moore Stephens. He was admitted as a partner in 2010 in Moore Stephens. Yiowmin is also the lead independent director and chairman of the audit committee for UMS Holdings Limited which is listed on the Singapore Exchange.

Yiowmin holds a Bachelor of Accountancy (Hons) and a Master of Business from Nanyang Technological University ("NTU"), and a Master of Business Administration from University of Birmingham. Yiowmin is also a practicing member of the ISCA, an Associate Chartered Accountant ("ACA") of the Institute of Chartered Accountants in England and Wales ("ICAEW"), a Certified Finance and Treasury Professional ("CFTP") of the Finance and Treasury Association ("FTA"), and a Chartered Valuer and Appraiser of IVAS.

Yiowmin is also an active Grassroots Leader, serving as a treasurer with the Kebun Baru Citizens Consultative Committee ("CCC") and an auditor with the Thomson Hills Neighbourhood Committee ("NC"). He is also a member of the Kebun Baru and Thomson Inter-Racial and Religious Confidence Circles ("IRCC"). Yiowmin was recently awarded the Pingat Bakti Masyarakat (Public Service Medal) ("PBM") by the President of the Republic of Singapore on 9 August 2016.

Key Management



Louis Chua

Chief Financial Officer; Chief Risk Officer; and Company Secretary (Australia)

Louis Chua joined 8I Holdings in April 2015 as the Company's Chief Financial Officer.

Louis graduated from University of Queensland with a Bachelor of Commerce (Finance). He is a Member of the Institute of Singapore Chartered Accountants, The Association of Chartered Certified Accountants, and Certified Practising Accountant (CPA) Australia.

Louis is based in Singapore and has more than 16 years of financial and commercial experience including infrastructure development, treasury and controllership operations, group restructuring and consolidation, tax planning and mergers and acquisitions. Before he joined 8I Holdings, he had 9 years of experience within the offshore marine industry in Farstad Shipping, with its holding company listed in the Oslo Stock Exchange. He started his career in the Audit Division with Arthur Andersen (later Ernst & Young).

Within the 8I Group, Louis is responsible for risk management, corporate secretarial, controllership and treasury duties, as well as economic strategy and forecasting for the Company.



Low Ming Li

Head of Private Markets Investment

Low Ming Li is the Head of Private Markets Investment at 8I Holdings. She has been with the Company since September 2015 and is based in Singapore.

Ming Li graduated with a Bachelor in Accountancy and minor in Banking and Finance (Second Class Upper) from Nanyang Technological University. She was previously with PricewaterhouseCoopers Singapore for over 13 years, where she held the position of Associate Director (Assurance) and was in charge of strategising and rolling out new business development initiatives, coordinating audit assignments as well as training & development. Her past clients include Singapore Exchange Limited, the Government Investment Corporation of Singapore and Singapore Press Holdings.

Within the Company, Ming Li is responsible for the successful planning, execution, monitoring, control, and completion of business and investment deals under the Private Markets Investment segment.

Key Management



Bernard Siah
Chief Technology Officer

Bernard graduated from National University of Singapore with a Bachelor of Computing (Technology Focus). He has more than 10 years of experience working as a technology specialist.

He started out his career in a start-up and led the R&D and product development team. During this period, he gained invaluable experience in building the R&D team and developing processes to deliver products in the intelligent CCTV industry. Eventually, he grew with the company through its IPO in SGX.

After his start-up experience, he joined a marine company and continued to apply his vast experience in product development to develop a world-class system which provides advance vessel performance monitoring services. The company was eventually acquired by a French company from the growing LPG market.

Today he is leading the tech development at 8Bit Global Pte Ltd ("8Bit"), leveraging on the digital economy for improved positioning and competitive edge on the digital front.



Sally Teo
Chief Branding Officer

Sally Teo is the Chief Branding Officer of 8I Holdings. She has been with the Company since July 2016 and is based in Singapore.

Sally graduated with a Bachelor of Commerce (Marketing) from the University of New South Wales (Australia). Prior to her appointment in the Company, she was the Senior Manager for Marketing, Product and Channel Development in Seraya Energy and had more than 17 years of marketing experience across various industries. Her expertise included global implementation of marketing campaigns, new product launches, corporate development, business processes as well as pioneering comprehensive solutions that resulted in growth and corporate awards.

Within the 8I Group, Sally is responsible for the management of the Company's brands, as well as Investor Relations and Corporate Communications.

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Financial and Operations Review

Overview

Our total revenue and other income from 1 April 2017 to 31 March 2018 (FY2018) is recorded at S\$22.7 million and our net loss after tax for the year stands at S\$4.4 million. This represents a decrease of 26.2% in total revenue and other income (total revenue and other income was S\$30.7 million for FY2017). Total comprehensive loss attributable to owners of the company for FY2018 is S\$16.4 million (total comprehensive profit was S\$8.6 million for FY2017)

The decline in revenue and the turn from profit to loss is attributable to a strategic change and transition period when we shifted the focus from private investments and placed more strategic focus on our education and public investment segments, in order to build a more sustainable and scalable business model. For our private investments going forward, we will acquire only businesses that have a strategic fit to our ecosystem.

The main bulk of revenue decrease (comparing FY2018 to FY2017) was due to the absence of a one-off gain on disposal of a subsidiary in FY2017 and the absence of such financial contribution from the disposal of a subsidiary in FY2018 in the private markets segment. We also had an investment loss for our public markets investment of S\$0.5 million (FY2017: S\$3.0 million investment income). However, the underlying core revenue from education business, supported by program sales, has increased significantly by about 16.1%.

The increase in our administrative and other expenses is due mainly to an expansion in our financial education segment, which incurred higher manpower-related and marketing expenses. Due to an aggressive push to several overseas markets, we incurred higher expenses. Going forward, as we have a better grasp of the market conditions in each targeted country, the increase in expenses will be better managed.

With an overall view of our ecosystem, we are working towards a better strategic fit for the entire group. To improve our ecosystem, we are currently working on a joint venture between 8VIC Global Pte Ltd and the Group, where we are developing a technology platform for us to serve the needs of our customer base better. This will serve to close the loop in our ecosystem and allow us to serve our customers in the most effective and efficient manner.

Business Segment Report

Education



8VIC Global Pte Ltd (a wholly-owned subsidiary of Digimatic Group), together with its subsidiaries, has increased its revenue by 9.4% to S\$11.7 million (FY2017: S\$10.7 million) in the financial year reported.

Our segmental profit has dropped due to higher expenses to S\$0.3 million (FY2017: S\$3.6 million), down 91.7%. This decrease in profits is largely due to the aggressive expansion of our education segment, where we expanded on our

manpower and increased our marketing and advertising efforts.

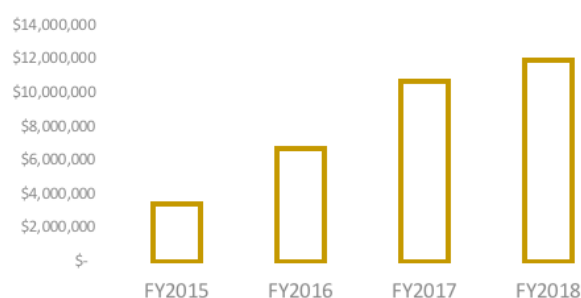
We have performed a share swap between 8VIC Global Pte Ltd (8VIC) and Digimatic Group Ltd (DMC), after which and with some additional share purchases, the Group effectively now owns about 72% of DMC. A strategic review of DMC is currently underway and we expect that there will be efforts and actions to bring DMC forward to the next stage of development.

With our overseas operations to propel our growth in a strategic manner, our business should grow and expand in a fast and sustainable manner. While it is never easy to expand overseas, our team has the intelligence, the teamwork and the grit to carry them out. On top of that, we are leveraging on technology and its applications to ensure that we can reach even more participants around the region and the world. While we have big dreams and ambitions, we must accept that the reality may not pan out exactly the way we are working towards.

At the core, we are focused on adding value to all our stakeholders, especially our customers. With this in mind and in our hearts, I believe that DMC (with 8VIC) will grow into a company that will grow sustainably.

For more information on our Education segment, do look out for the announcements and latest financial and annual reports under ASX:DMC.

8VIC Revenue



Investment: Hidden Champions Fund



Our listed securities segment registered segmental losses of S\$1.3 million for FY2018. The main reason is due to a drop in two of our core holdings' share prices.

As previously shared, the time horizon for our investments in the identified Hidden Champions is mid to long-term as we had consciously invested during the early growth stages of these companies. Internally, we have already put in place a sound portfolio allocation strategy, which will allow us to grow and yet be able to take care of the downside. We will also move towards a concentrated portfolio approach with more hidden champions so that the portfolio is more balanced

Financial and Operations Review

and diversified. It will take us some time (my personal target is before the end of 2018) before the portfolio allocation strategy is fully implemented due to certain constraints that we face.

As mentioned previously, you should expect that the contribution from the Investment segment to be lumpy in nature. This year is one of those years where our returns is negative and performance is sub-par. To rectify this and reduce key man risk so often present in many boutique funds, we will be taking a “multi-counsellor” approach towards the managing of the portfolio so as to provide more autonomy and ownership for our investment managers. While a rigorous process executed by good talent will increase our probability of choosing the right company stock and portfolio allocation, the end result at every financial year can still vary significantly due to the volatility of the capital markets and the share prices of the vested companies. To do investment well long term, it is never just a checklist or merely based on an understanding of the companies. There are many perspectives that one must take into consideration and the challenge lies in predicting the companies that will do well in the long run. Over the mid to long term, I would expect that the odds are in our favour due to a sound investment process, portfolio allocation and good talent. This segment will fluctuate in terms of performance. However, the best opportunities will typically present themselves in the most uncertain times.

Going forward, together with our investment managers in HCF Team, I will be taking over from Koon Boon for the management of the HCF portfolio and the asset management business.

Investment: Private Markets

The Private Markets Team registered a segmental loss after tax of S\$0.5 million, a reduction from the previous S\$12.9 million. This was due to the absence of a one-off gain on disposal of a subsidiary. The financial performance of 8IH China Pte Ltd, 8MAD Group Sdn Bhd and CT Hardware Sdn Bhd had started to show strength in their revenue growth.

Our current portfolio of investees:

8IH China

The new programmes (Fundamental Value Investing Program 《觉悟智慧》, Intermediate Value Investing Program 《全息智慧》, and Advanced Value Investing Program 《融道智慧》) introduced by 8IH Rongdao in July 2017 are starting to gain traction in China. We noticed that the sales are picking up with momentum due to strong referrals from our Singapore, Malaysia and China graduates. Our team in China has grown in strength and is now focusing on improving the content in the programmes and extending our reach into the different cities in China. As of March 2018, 814 people in Shanghai, Hebei, Shandong and Hubei have benefited from 8IH Rongdao's new programmes and we are welcoming more onboard from Suzhou, Wuxi, Hubei and Hebei in FY2019.

8 MAD Group

8 MAD continued to grow with a high renewal rate for its retainer accounts and integrated campaigns. Much of its sales & revenue in FY2018 had been re-invested into the company as the team moved into a new office, increased its headcount and strengthened its Online to Offline (O2O) activations and Experiential Marketing activations. The company started a new division called LEAP Asia offering dynamic sales activation services. LEAP Asia had already secured and executed sales activation services for key accounts like Johnson Suisse and Nanowhite Fresh Vlog Star Search. A one-time capex was utilised in the procurement of VR technology and assets for LEAP Asia TV where the team rolled out a new service known as “Virtual Reality activations”.

CT Hardware

With the expansion of warehouse facility, CT Hardware implemented central purchasing and central logistic systems which helped improve the efficiency and productivity of the operations. With the support of the new warehouse facility and an online business unit, CTH launched a “CT Experience” event at its warehouse. The company also organised more roadshows and participated in exhibitions to increase sales and brand awareness.

On a semi-annual basis via our investee roundtable, we share our respective know-how that we have accumulated through our own operations, research and through our interaction with other investees and businesses. We also continue to support by looking out for new strategic partners that can add value to our investees.

We continue our hunt to acquire or collaborate with partners that have a synergistic impact to our unique eco-system. We believe this will bear fruit via our new initiative under 8Bit Global.

Over and above what we have shared, the team plays a unique role in assisting our CEO and Executive Director with developing and executing various corporate strategic initiatives. This role ties in closely with our work scope of looking out for partners that will support to strengthen 8I's eco-system.

Financial Position

Despite our challenges, the group's current financial position remains fundamentally strong. As of 31 March 2018, the Group's total assets stand at S\$68.4 million (FY2017: S\$68.6 million). However, Net Assets has decreased from S\$61.7 million (FY2017) to S\$48.0 million (FY2018). This is mainly due to a reduction in the prices of our financial assets. Most of our assets are in cash and cash equivalents (FY2018: S\$23.3 million) and investment securities (FY2018: S\$27.4 million), which will give us some buffer to ride through the uncertain times ahead.


The Group's cash flows from operating activities is in net outflow position because cash flows derived from our

Financial and Operations Review

private market investment were classified under “cash from investment” despite that it was one of our principal activities, in accordance with Singapore Financial Reporting Standards (FRS).

In Summary

It may take some time before our group turn around as we work on the issues arising. A sound strategy and long-term efforts are required to ensure that the group can grow and reach towards her fullest potential. 8IH is our “child” and we are doing what we believe is best for the long-term benefit of the company. Like parents, we may make an unsupportive decision from time to time but I believe that we will grow 8IH to becoming a company that you will be proud being a shareholder of, long term.



Clive Tan
Executive Director

Financial Highlights

For the financial year ended
31 March 2018

01

Revenue & Other Income

S\$22.7 million

S\$30.7 million in FY2017

04

Total Assets

S\$68.4 million

S\$68.6 million in FY2017

02

Total Comprehensive (Expense)/Income

(S\$16.6 million)

S\$8.9 million in FY2017

05

Post Tax Net Tangible Asset Per Share

A\$0.118

As of 31 March 2018

03

Net (Loss)/Profit for the Financial Year

(S\$4.4 million)

S\$11.5 million in FY2017

Business Segment Highlights

Public Markets Investment

- Hidden Champions Capital Management

Private Markets Investment

- 8IH China
- 8 MAD Group
- CT Hardware

Financial Technology

- 8Bit Global

Financial Education

- 8VIC Global

Public Markets Investment

Hidden Champions Capital
Management

While going about our daily process of turning over rocks to look for gems (as an analogy for our stock picking process), we are constantly looking at ways to do so in a more efficient and effective manner. In FY2018, while working and interacting with our peers, we realised the importance of reducing key man risk, a common phenomenon amongst boutique funds such as ourselves, as well as the diversification of investment portfolio to manage concentration risks. In order to better manage our risks, we are currently piloting a “multi-counsellor” approach towards the management of our investment portfolio to provide autonomy and instil a higher sense of ownership among our team of investment managers, who are also at the same time looking at increasing the diversification of Hidden Champions Fund’s portfolio to mitigate the risks of our performance being too dependent on just a few key positions.

Going into FY2019, the Hidden Champions Capital Management team is looking to achieve higher scalability in our fund capacity via a high-conviction investment strategy and provide greater transparency to our investors. Our strategy moving forward would be to look out for Hidden Champions with a market value range of between US\$100 million to US\$5 billion and target to potentially double our fund capacity in the next three to five years on an underlying CAGR (Compounded Annual Growth Rate) profit growth of between 15% to 25% and upward re-rating in valuation multiples. Simultaneously, the fund would also aim to hold positions between 5% to 20% stake in our positions, consisting of around 10 to 25 identified Hidden Champions.

We hope to have your patience as the team work hard towards these goals.

Clive Tan

Chief Executive Officer

Hidden Champions Capital Management Pte Ltd



KEEPING YOUR MONEY SAFE, AND GROWING IT AT THE SAME TIME?

If you had invested in ASSA ABLOY, the world's largest lock manufacturer, in 1994, you would have gained 7,888%



HIDDEN CHAMPIONS FUND

Hidden Champions Are All Around Us

The Hidden Champions Fund aims to achieve long-term investment returns in listed equities in the Asia-Pacific markets through a focused strategy of investing in growing but underappreciated Asian Hidden Champions.

Hidden Champions, taken from a concept coined by Professor Hermann Simon, are focused market leaders in sophisticated, hard-to-imitate niche products or services and valuable critical niches that may be "invisible" to the average consumer yet are indispensable in their daily lives. The intrinsic outperformance of Hidden Champions is often not linked to economic conditions, thus offering potential de-correlated returns. The fund does not employ leverage in its investment strategy.

Our Investment Process

For More Information
www.hiddenchampionsfund.com

1

Shortlisting Companies with Conservative Accounting Practices with Great Corporate Governance

2

Analysing the Business Models for Quality, Sustainability and Scalability

3

Selecting Entrepreneurs and Owner-Operators with Mission, Values and Passion

Private Markets Investment

8IH China

8 MAD Group

CT Hardware

The key focus of the Private Market Investment business unit is to add value and expand 8IH's ecosystem through partnership and acquisition. Most importantly, the team plays a unique role in assisting our CEO and Executive Director with developing and executing various corporate strategic initiatives. This role ties in closely with our work scope of looking out for partners that will support to strengthen 8I ecosystem.

The investees under the team's portfolio are 8IH China Pte Ltd, 8 MAD Group Sdn Bhd, CT Hardware Sdn Bhd and Velocity Property Group. More commentary of the investees' progress can be found in Clive's message.

We continuously support our investees via a semi-annual investee roundtable where we share knowledge that has been accumulated through our operations, research and interaction with other potential acquirees. Simultaneously, we will continue to look out for new strategic partners who can add value to our investees and monetise 8IH's initial investment when the right partner comes along.

Ken shared, via his Chairman message, about the refinement of 8IH business model. I am excited and confident that this will propel 8IH's future into one that build long term sustainability and long term value for our team members and shareholders. Please be assured that we are always on the pursuit to acquire or collaborate with partners who have synergistic impact to the unique eco-system that we built over the years.

Low Ming Li

Head of Private Markets Investment
8I Holdings Limited



独创国学与价值投资体系

让企业具备价值投资精神

“The essence of value investing is to invest limited money, time, energy, and even one’s limited life in meaningful activities of valuable assets to create more values for oneself, the society, the nation, and humanity.”

- Zhou Guiyin, Honorary Advisor of 8IH and the chief trainer in Shanghai Rongdao Culture Communication Co., Ltd. a subsidiary of 8IH China

As a value investor of more than 20 years, Zhou Guiyin studies and advocates the concept of Value Investing. Integrating the wisdoms of Chinese history, Confucianism, Art of War, Legalism, Buddhism and Taoism and Value Investing philosophy, Zhou Guiyin created three programmes under 8I Rongdao Academy series where he simplified the concepts to empower participants to achieve sustainable wealth and happiness.



Zhou Guiyin

Honorary Advisor of 8IH
Chief Trainer in Shanghai Rongdao
Culture Communication Co., Ltd.

价值投资精神

8I Rong Dao is the first in China to Incorporate Sinology & Value Investing!



觉悟智慧

Wisdom of Self-Awakening
Fundamental Program

Investing is an important career and a life-time practice for everyone who wishes to obtain financial freedom in life.

The important realisation is that one should not be a slave to wealth but instead seek to understand yourself, the different investing styles and the right investing method that suits you to achieve success.

The Wisdom of Self-Awakening is a 3-day program that infuses the study of Chinese history, customs, and politics into investing. By the end of the three days, you will gain in-depth understanding on the concept of investing through Chinese religion and philosophy.

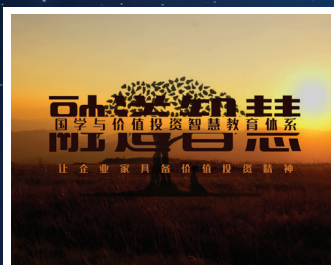


全息智慧

Wisdom of Multi-Dimensional Analysis
Intermediate Program

Master the essentials to investing by understanding how to value companies using sophisticated valuation methodologies to make wiser investment decisions.

Wisdom of Multi-Dimensional Analysis is a 3-day program that imparts the knowledge of classic investment strategies, cash flow and business model analysis using real-life examples and case studies. By the end of the program, you will gain in-depth knowledge on how to filter out the noise in the market, screen out good companies, calculate the true value of a business and manage your investment portfolio.



融道智慧

Wisdom of Rong Dao
Advanced Program

Wisdom of Rong Dao is a 15 - 20 days program that cracks the codes towards achieving mastery in the areas of running a profitable business, investing, maintaining happy and harmonious relationships and living your purpose in life by combining the teachings of Sinology, Confucianism, Art of War, Legalism, Buddhism and Taoism in one program. The program consists of five modules, each module is conducted over three to four days. By the end of the program, you will gain the know-how to creating sustainable holistic wealth in all aspects of your life.

8IH China

“The vision for 8IH China is to become the most respectable institution, spreading the wisdom of Chinese culture and philosophies, infusing the application of Sinology into investing and life.”

China is a country with 5,000 years of cultural and philosophical influence and rapid economic growth. In 2016, 8IH set up an office in Shanghai to spread value investing, a philosophy that originated from USA with only 90 years of history.

We underestimated China’s high-speed development and its unique financial market environment. Even though background research was conducted before we entered China, the widespread perception of value investing is seriously distorted in China. To make things worse, the differences in language and culture posed a challenge for our Singapore and Malaysia trainers.

Fortunately, Tian Dehua met Mr Zhou Gui Yin during a conference and was deeply impressed by Mr Zhou’s knowledge in the financial industry. We invited Mr Zhou to join 8IH China in 2017.

Leveraging on Mr Zhou’s experience in the financial markets as well as his profound knowledge of sinology, he developed an improved range of programmes tailored to suit the needs of China consumers. We are proud to say that 8IH China is the first to incorporate the teaching of value investing and sinology in China.

The responses for our new programmes were encouraging. This prompted us to venture into other provinces in China. In FY2018, besides Shanghai, 8IH China had expanded our reach to Hubei Wuhan, Hebei Zhengding, and Shandong Jinan. Every new location is based on an invitation by our graduates who had benefited from our programmes and requested that we conduct the programmes in their hometowns.

In FY2019, 8IH China will continue to promote our programmes into Zhejiang, Hubei and Hebei.

Although we may have found initial success with these programmes, we remain cautious as we expand into other provinces in this competitive market.

On behalf of the 8IH China team, We sincerely invite you to China to attend our programmes offered by 8IH China. We will personally share a series of programs that are carefully research, design and integrate the spirit of Sinology and value investing. It will surely benefit your life, relationship with family and friends, investment and all aspects of your business or professional career.

Tian Dehua & Juanna Chua

Directors

8IH China (Shanghai) Co. Ltd

For More Information
Visit www.8ichina.com or
scan the QR code



8IH China



Tian Dehua
 Director and General Manager
 8IH China (Shanghai) Co. Ltd

As the General Manager & Director of 8IH China, Tian Dehua is responsible for the management, promotion and operations of the 8I Group in China.

Dehua graduated from Hubei University in 1997 with a Degree in Accounting, majoring in Economics and completed an Executive Program with China's Tsinghua University.

Prior to joining 8I, Dehua was the Vice President of JHT Investment Holdings Limited, and Vice Chairman of Beijing JHT Investment Fund Management Co. Limited. He brings with him, expertise in sales and marketing of large-scale developments across China.



Juanna Chua
 Executive Director
 8IH China (Shanghai) Co. Ltd

As the Executive Director of 8IH China, Juanna ensures that the company's strategic objectives and plans are being met.

She manages the company's operations in China and coordinates between the Singapore and China offices – aligning vision, mission and culture as it expands in the Chinese market.

A graduate with a Bachelor of Business Administration (Honours) in Marketing from the University Tenaga Nasional.

Prior to joining 8I, Juanna spent nine years working in Shell Malaysia Trading Sdn Bhd, as the distributor and central store manager. She brings with her, strong human capital and operations knowledge.



“ YOU ARE A TEAM
WE CAN TRUST. ”

Feedback like this is what keeps us fired up to take ownership, to produce work that makes an impact.

Meet the creative **MARKETING** team that you can rely on to do what is right, even when it's harder to do.

Realising Potential. Making Impact.



www.8madgroup.asia

As we continue hurtling towards a Trust Economy, 8MAD Group will focus on creating value through collaborative consumption and helping our clients leverage on our ever-growing eco-system. We will also continue to build our verticals in market intelligence and development of marketing talents as part of our efforts to help companies stay relevant in the fast-changing marketing landscape.

Patrick Wee
Group CEO
8 MAD Group Sdn Bhd



CT Hardware Sdn Bhd

A Malaysia-based business engaged in the wholesale and retail of power tools, construction equipment and machinery since 1977.

CT Hardware currently operates 5 retail stores with a service center as well as online stores at various channels in Malaysia and is an authorized dealer of major brands like Bosch, Grundfos, Karcher, Graco and many more.

For More Information
www.cthardware.com



Retail Business



E-Commerce



Corporate Solutions



After-Sales Support

We are planning to expand the floor space in one of the existing store and potentially expand one new outlet, so that we can expand our product range to our customers.

Seen Chia Toong

Managing Director
CT Hardware Sdn Bhd

Financial Technology

8Bit Global

As a Technology Evangelist, my life mission is to build innovations that will live beyond their creators.

As such, I am truly excited about the development of an intelligent investment platform that 8Bit Global Pte Ltd is building.

WealthPark, as we call it, is a smart integration of information, analysis tools and social learning. The focused areas stem from the struggles plaguing the present day investor, which led to WealthPark's vision of making investing easy, like a walk in the park.

The initial idea was to build an app to support the learning of our 8VIC's community. But as we start collaborating with 8VIC trainers and HCF investment managers during the app development, we realised that together, we have the potential to create something bigger that enables our users to better manage investment risk and make smarter investing decisions.

These are only made possible with years of combined investing experiences, 8I's tested and proven proprietary investment methodologies, and collaboration with our valuable partners.

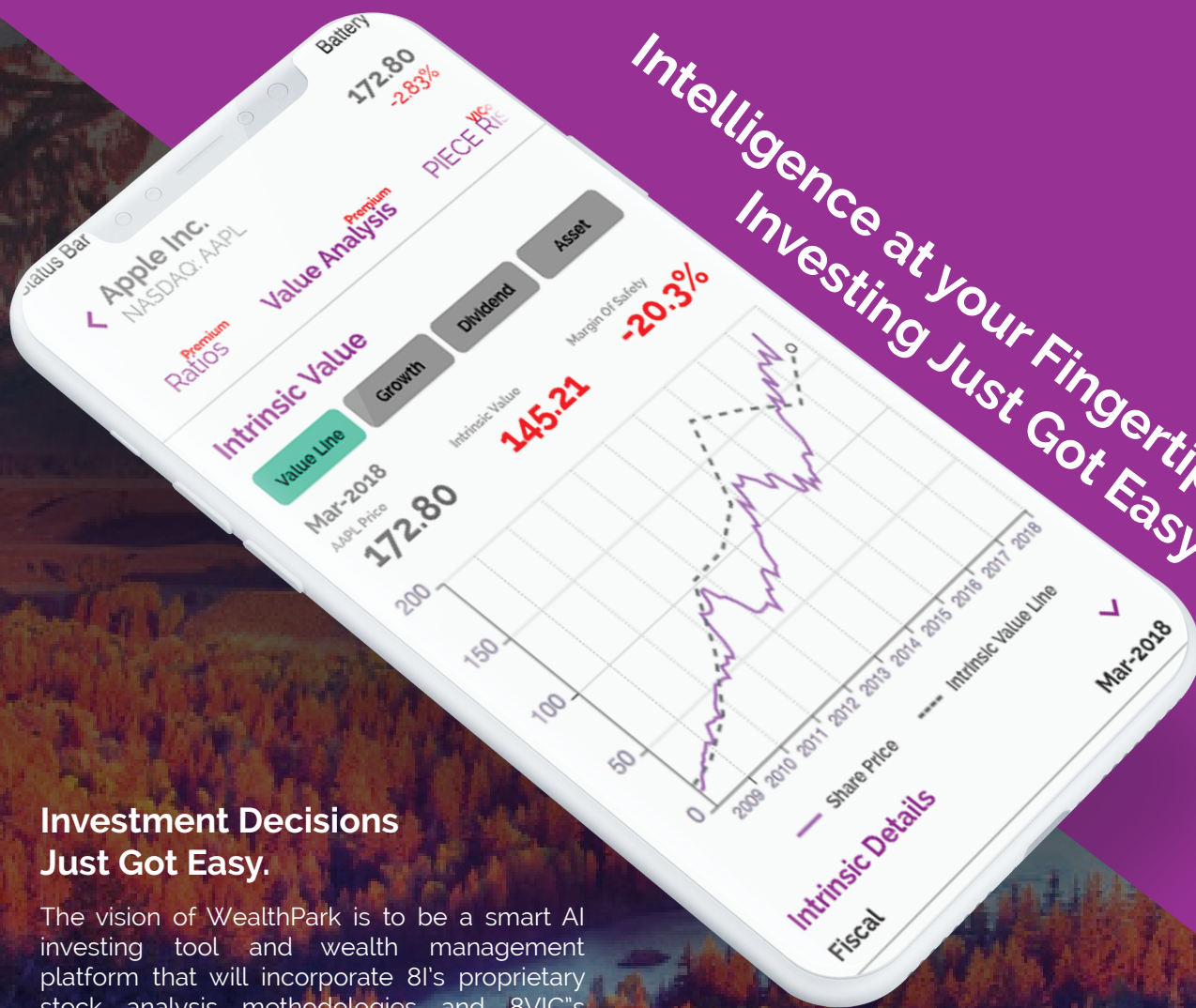
The beta version, loaded with premium features like the Intrinsic Value Line, Star Chart and Integrity Score, will be ready in September 2018 for our 8VIC's community to enjoy early access. This group of users play a crucial role in helping us form the initial critical mass, following which the network effects of our strong community will enable us to grow our user-base rapidly. As WealthPark receives the continuous feedback and support from its users and our business partners, we will be able to drive more value and bring value investing to an entirely new level.

Bernard Siah

Chief Technology Officer
8Bit Global Pte Ltd



WealthPark



Intelligence at your Fingertips
Investing Just Got Easy

Investment Decisions Just Got Easy.

The vision of WealthPark is to be a smart AI investing tool and wealth management platform that will incorporate 8I's proprietary stock analysis methodologies and 8VIC's learning materials to make lifetime learning and stock analysis easier for 8VIC's community.

Download and explore our basic version with features like retirement calculator, investor profiling analysis, VIC resources, market news subscription and watchlist with PIECE Risk and BSC calculators.

For More Information
wealthpark.io



Available On
App Store



Available On
Google Play

Financial Education

8VIC Global

The mission of 8VIC Global Pte Ltd is to bring Value Investing to the World.

We plan to do that through a BOOM approach.

Branding

The headquarter in Singapore will focus on creating more content to build our brand's authority as the leading financial education provider in Value Investing.

Overseas Expansion

Being established in Singapore and Malaysia, our current focus will be to increase the market shares in Taiwan, Thailand, Australia and Hong Kong. We will also explore demands for financial education in other countries through our channel partners.

Online Courses

We are exploring to provide online courses to reach out to more audiences beyond our physical offices' geographically.

Media

We are also exploring using more media channels to brand and to provide edutainment which was proven effective in Malaysia. Through our partnership with Astro, we sponsored and produced a financial education programme called "Money Money Home" which was very well-received. Money Money Home had received higher viewership ratings than other programmes in the same timeslot.

In FY2019, 8VIC will continue to put in our hearts to bring value investing to the world in a sustainable and meaningful way.

Sean Seah

Chief Executive Officer

8VIC Global Pte Ltd

A Subsidiary of Digimatic Group Limited



vic

Value Investing College

Value Investing College is the leading financial education provider in Singapore and Malaysia.

Our flagship courses, Value Investing Bootcamp and Options Mastery Programme educate the principles of value investing and provide time-tested strategies to help our graduates grow their wealth safely and consistently.

Our graduates enjoy lifetime access to our robust network in VIC Community for continuous learning and investing ideas.

Signature Programmes & Event

Value Investing Bootcamp

Provides You With A Systematic Formula To Grow Your Wealth & Income.

Options Mastery Programme

Helps You To Generate Passive Income Consistently with Tested and Proven Options Strategies

Value Investing Summit

An annual conference where industry experts and international well-known value investors gather to share their investment strategies and investing ideas with VIC Community. The upcoming VIS will be held on 19 - 20 January 2019 in Kuala Lumpur, Malaysia.

For More Information

www.valueinvestingcollege.com or

www.facebook.com/valueinvestingcollege

Triplets Productions

Corporate Highlights

26
APR 17

Obtained approval from MAS to operate as a Registered Fund Management Company (“RFMC”)

8I Holdings Limited’s subsidiary, 8 Capital Pte Ltd now renamed as Hidden Champions Capital Management Pte Ltd (HCCM), obtained approval from MAS to operate as a Registered Fund Management Company (RFMC). With the approval, it allows the Company to commence its new asset management business which horizontally integrates and complements 8IH’s value investing ecosystem and also provide an additional revenue stream for the Company.

01
JUL 17

Soft-launch of Hidden Champions Fund (“HCF”)

With the approval of MAS for Hidden Champions Management Pte Ltd to operate as a Registered Fund Management Company earlier in the year, Hidden Champions Fund (“HCF”) held a soft launch in July 2017 to commemorate its commencement of operations.

HCF’s investment process focusses on its 3-step approach to investing in Hidden Champions, business which are successful yet low profile, have a global or domestic market leadership and have sophisticated, hard-to-imitate and valuable niche.

30
JUN 17

Acquisition of 68% of Shanghai Rong Dao Culture Communications Co. Ltd

8I Holdings Limited completed the acquisition of 68% of Shanghai Rong Dao Culture Communication Co. Ltd [上海融道文化传播有限公司] (“Rong Dao”), through its subsidiary, 8IH China (Shanghai) Co. Ltd [信益安(上海)实业有限公司] (“8IH Shanghai), for RMB588,704.

Rong Dao is a value investing promoter and educator in China founded by Mr Zhou Guiyin in 2016. The acquisition of Rong Dao will provide the Company with access to local investment communities and a customised range of value investing programmes on offer. Mr Zhou Guiyin will head 8IH Shanghai’s programme development and value investing training in China. With his extensive knowledge and expertise in value investing, Mr Zhou develops a range of customised programmes tailored to suit China consumers’ needs.

28
JUL 17

Sale of Investment in Hemus Pacific Private Limited

8I Holdings Limited announced that it has completed the disposal of Hemus Pacific Private Limited to Clear A27 Pte Ltd for a consideration of 7,000,000 8IH shares in the form of Chess Depository Interests. As a result of the transaction, 8IH realised a gain in disposal of subsidiary of approximately S\$970,000, based on A\$0.49 per share as at 28th July 2017. The transaction will provide 8IH shareholders with share value accretion, and the Company with treasury shares to seek other investment opportunities.



Corporate Highlights

28
NOV 17

Completion of Sale of 8VIC Global Pte Limited and Acquisition of Substantial Interest in Digimatic Group Limited

8I Holdings Limited announced the completion of sale of the Company's 95% holdings in 8VIC Global Pte Limited ("8VIC") to Digimatic Group Limited ("DMC") for a consideration of 1,448,955,200 pre-consolidated DMC shares at a deemed issue price of A\$0.042 per share.

The sale was completed following:

- * The transfer of 2,148,421 ordinary shares in 8VIC Global from 8IH and Glorymont Ltd (collectively known as the "Vendors") to DMC, and;
- * The issuance of 1,525,216,000 pre-consolidated DMC CHES Depository Interests to the Vendors which represents 70% of the enlarged share capital of DMC post-issuance. The details of the Consideration shares are set out as below:

Vendor	Consideration Shares (Pre-consolidated)	Percentage of Enlarge Share Capital
8IH	1,448,955,200	66.50%
Glorymont	76,260,800	3.50%
Total	1,525,216,000	70.00%

As a result of the transaction, 8IH will become the holding company of DMC.

29
JAN 18

Acquisition of additional 2% equity interest in Digimatic Group Limited

8I Holdings Limited has acquired 875,000 shares in Digimatic Group Limited off market from various DMC shareholders via a licensed broker. The DMC Shares represent a 2% equity interest in DMC.

As consideration for the transaction, 8IH will transfer 7,000,000 ordinary shares in 8IH to DMC from its treasury stock in the form of CHES Depository Interests. The consideration represents 1.9% of the ordinary share capital of 8IH. As a result of the transaction, the Company will increase its equity interest in DMC from 69.7% to 71.7%.

27
MAR 18

Investor Presentation

8I Holdings Limited released a presentation for its investor to give an update on FY2018 in review, Strategic Review, Rework & Restructure and 8IH's key focuses for FY2019.

In summary, 8IH will undertake a cost management exercise which targets to reduce corporate operating costs by 30%. The activities will include reducing professional fees, leasing out the office space at level 4, reducing the remunerations of Executive Director and implementing pay freeze and no bonuses for all corporate and investment staffs.

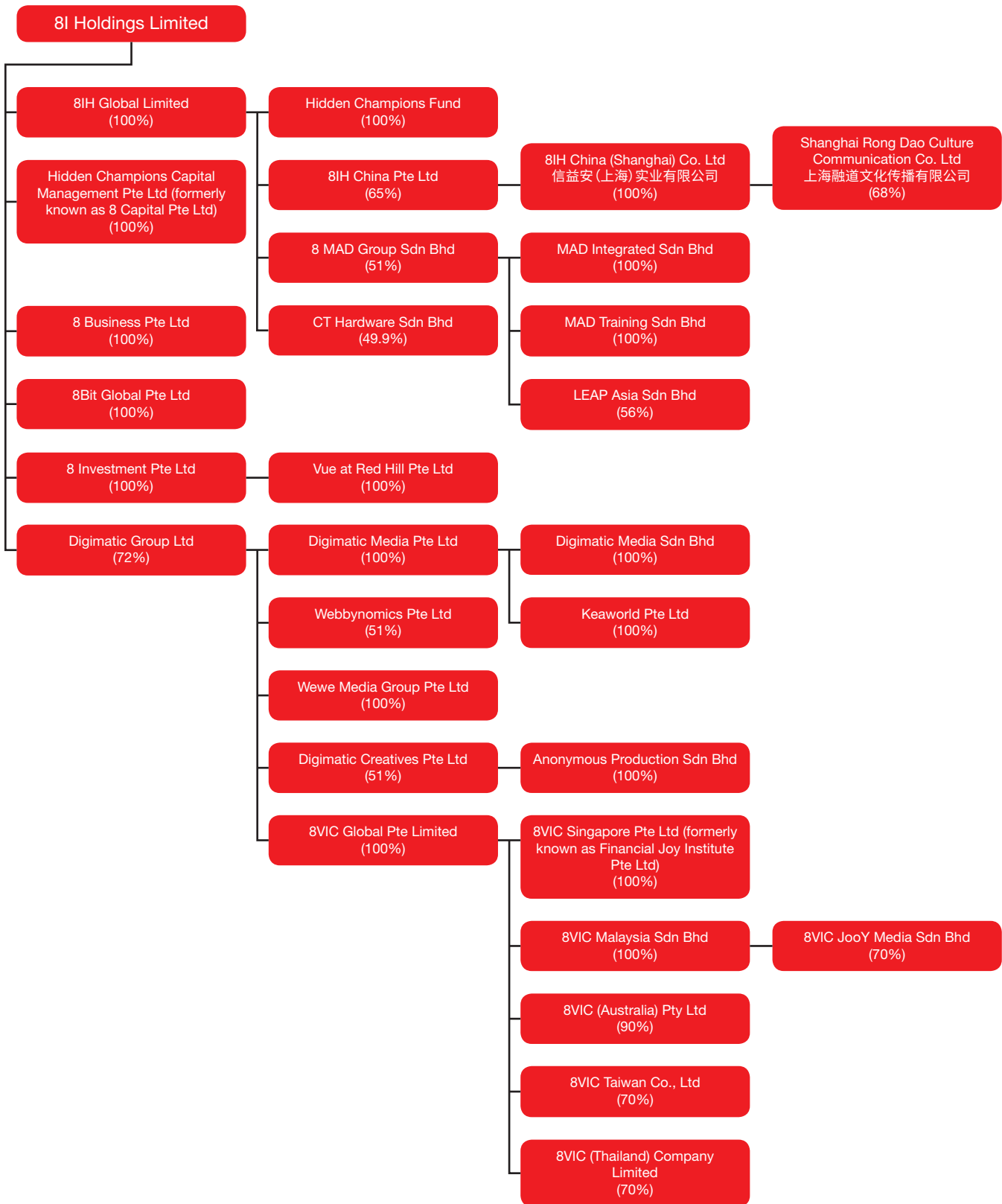
The focuses for FY2019 will be :

- To grow the AUM of Hidden Champions Fund
- To grow the market shares in overseas & increase the profit margin for 8VIC Global
- To launch a personal wealth management tool for the investor community



Corporate Structure

As of 31 March 2018



Corporate Information

As of 31 March 2018

Directors	Mr Chee Kuan Tat, Ken (Executive Chairman) Mr Clive Tan Che Koon (Executive Director) Mr Chay Yiowmin (Non-Executive Director) Mr Charles Mac (Non-Executive Director)
Company Secretary (Singapore)	Mr Ang Teck Huat
Company Secretary (Australia)	Mr Louis Chua Chun Woei
Company Registration Number	201414213R
ARBN	601 582 129
Registered Office (Singapore)	Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233 Tel : +65 6801 4500 Fax : +65 6235 0332
Registered Office (Australia)	C/- SmallCap Corporate Pty Ltd, Suite 6, 295 Rokeby Road, Subiaco WA, Australia, 6008 Tel : +61 (8) 6555 2950 Fax : +61 (8) 6166 0261
Principal Place of Business	Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233
Share Registrar	Boardroom Pty Limited Level 7, 207 Kent Street, Sydney, NSW, Australia 2000 Tel : +61 (2) 9290 9600 Fax : +61 (2) 9279 0664
Auditors	PricewaterhouseCoopers LLP Public Accountants and Chartered Accountants 7 Straits View, Marina One East Tower Level 12, Singapore 018936 Singapore Partner in charge: Rebekah Khan (since 2016) Tel : +65 6236 3388 Fax : +65 6236 3715
Stock Exchange Listing	8I Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: 8IH)
Website	www.8iholdings.com

04

Governance

Remuneration Report	36
Directors' Statement	39

Remuneration Report

This remuneration report set out information about the remuneration of 8I Holdings Limited's key management personnel for the financial year ended 31 March 2018. The term 'key management personnel' refer to those persons having authority and responsibility for planning, directing, controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Remuneration Policy

The remuneration policy of 8I Holdings Limited has been designed to align director and executive objectives with shareholder and business objectives. The board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company and Consolidated Group, as well as create goal congruence between directors, executives and shareholders.

All remuneration paid to directors and executives is valued at the cost to the Consolidated Group and expensed.

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

Chee Kuan Tat, Ken	Executive Chairman
Clive Tan Che Koon	Executive Director
Chay Yiowmin	Non-Executive Director
Charles Mac	Non-Executive Director
Low Ming Li	Head of Private Markets Investment Division
Bernard Siah Wee Boon	Chief Technology Officer
Louis Chua Chun Woei	Chief Financial Officer; Chief Risk Officer; and Company Secretary (Australia)
Sally Teo	Chief Branding Officer
Kee Koon Boon	Chief Investment Officer (resigned on 31 May 2018)

Service Agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalized in a service agreement. For Non-Executive Directors, these terms are set out in a Letter of Appointment. The major provisions of the agreements relating to Directors' remuneration as at date of this report are set out below.

Name	Base Salary ⁽¹⁾	Fees	Term of Agreement	Notice Period
Chee Kuan Tat, Ken	S\$252,000 p.a.	S\$ nil	No fixed term	N/A
Clive Tan Che Koon	S\$175,000 p.a.	S\$43,200 p.a. ⁽²⁾	No fixed term	N/A
Chay Yiowmin	S\$ nil	S\$42,000 p.a. ⁽³⁾	No fixed term	N/A
Charles Mac	S\$ nil	S\$42,000 p.a. ⁽³⁾	No fixed term	N/A

⁽¹⁾ Excluding employer's Central Provident Fund (CPF) contribution

⁽²⁾ Non-executive director fee of a subsidiary

⁽³⁾ Non-executive director fee of the Company

Remuneration Report (continued)

Details of Remuneration

A breakdown showing the level and mix of each Director's and Key Management Personnel's remuneration for the financial year ended 31 March 2018 is set out below:

Name of Directors	Salary* %	Bonus/Profit-sharing %	Directors' Fee %	Total %
S\$250,000 to below S\$500,000				
Chee Kuan Tat, Ken	100	-	-	100
Clive Tan Che Koon	94	-	6	100
Below S\$100,000				
Chay Yiowmin	-	-	100	100
Charles Mac	-	-	100	100

Name of Key Management Personnel	Designation	Salary* %	Bonus/Profit-sharing %	Total %
S\$100,000 to below S\$250,000				
Low Ming Li	Head of Private Markets Investment Division	82	18	100
Bernard Siah Wee Boon	Chief Technology Officer	94	6	100
Louis Chua Chun Woei	Chief Financial Officer; Chief Risk Officer; and Company Secretary (Australia)	82	18	100
Sally Teo	Chief Branding Officer	86	14	100
Kee Koon Boon	Chief Investment Officer (resigned on 31 May 2018)	83	17	100

* Salary is inclusive of fixed allowance and CPF contribution.

The total remuneration of each Key Management Personnel has not been disclosed in dollar terms given the sensitivity of remuneration matters and to maintain the confidentiality of the remuneration packages of these Key Management Personnel.

Remuneration Report (continued)

Details of Remuneration (continued)

The total remuneration of the top five key executives (who are not directors of the Company) is S\$863,557 for the financial year ended 31 March 2018 (2017: S\$940,632).

There were no terminations, retirement or post-employment benefits granted to Directors and Key Management Personnel other than the standard contractual notice period termination payment in lieu of service for the financial year ended 31 March 2018.

No employee whose remuneration exceeded S\$50,000 during the financial year is an immediate family member of any of the members of the Board. The Company did not provide any equity compensation to Directors or executives during the financial year ended 31 March 2018.

The Company also reimburses validly incurred business expenses of Directors and Key Management Personnel.

Other Information

There were no loans made to any Key Management Personnel during the financial year or outstanding at financial year ended.

Apart from disclosed elsewhere in this report, there were no transactions with Key Management Personnel during the financial year. During the financial year, the Remuneration Committee reviewed and approved the Company's remuneration policy.

Directors Meetings

Since the beginning of the financial year, four meetings of directors were held. Attendances by each director during the period were as follows:

Directors' Meeting		
Directors	Eligible to Attend	Attended
Chee Kuan Tat, Ken	4	4
Clive Tan Che Koon	4	4
Chay Yiowmin	4	4
Charles Mac	4	4

Environmental Issues

The Company's operations comply with all relevant environmental laws and regulations, and have not been subject to any actions by environmental regulators.

Directors' Statement

For the financial year ended
31 March 2018

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2018 and the statement of financial position of the Company as at 31 March 2018.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 49 to 122 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Chee Kuan Tat, Ken
Mr Clive Tan Che Koon
Mr Charles Mac
Mr Chay Yiowmin

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of <u>director or nominee</u>		Holdings in which director is deemed to have an interest	
	<u>At 31.3.2018</u>	<u>At 1.4.2017</u>	<u>At 31.3.2018</u>	<u>At 1.4.2017</u>
8I Holdings Limited (No. of ordinary shares)				
Mr Chee Kuan Tat, Ken	86,458,500	86,358,500	-	21,991,741
Mr Clive Tan Che Koon	65,140,000	65,091,500	-	21,991,741

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and date of this statement.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, shares options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or during the financial year.

Directors' Statement

For the financial year ended
31 March 2018

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Chay Yiowmin
Mr Clive Tan Che Koon
Mr Charles Mac

All members of the Audit Committee were non-executive directors, except for Mr Clive Tan Che Koon.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2018 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Chee Kuan Tat, Ken
Director



Clive Tan Che Koon
Director

29 June 2018

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Financial

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of 8I Holdings Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 March 2018;
- the consolidated statement of financial position of the Group as at 31 March 2018;
- the statement of financial position of the Company as at 31 March 2018;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Acquisition of Digimatic Group Limited (“Digimatic”)</p> <p>Refer to Notes 3 (critical accounting estimates, assumptions and judgements) and 30 (Business combinations) to the financial statements.</p> <p>On 28 November 2017, Digimatic entered into a Share Purchase Agreement where Digimatic issued 1,448,955,200 shares to 8IH. The consideration was satisfied through the injection of 8VIC Global Pte. Limited and its subsidiaries (“8VIC”) from 8IH to Digimatic.</p> <p>Arising from this transaction, 8IH’s direct interest was changed as follows:</p> <ul style="list-style-type: none"> • 10.81% interest in Digimatic increased to approximately 69.7%. As a result, the fair value through other comprehensive income (“FVOCI”) equity investment was reclassified to investment in a subsidiary. • 95% interest in 8VIC decreased to approximately 69.7% (increase of minority interest by 25.3%). • A gain on bargain purchase of S\$425,042 was recognised as a result of this transaction. 	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> • We discussed with senior management to understand the commercial substance of the transactions. • We reviewed the sales and purchase agreement to validate the key terms and conditions of the transaction. • We involved our internal valuation specialist to assess appropriateness valuation methodology adopted by the valuer. • We assessed key inputs assumption in the valuation report. • We assessed the appropriateness of the disclosures in the financial statements relating to the acquisitions. <p>We found the judgements, estimates and assumptions used by management (including disclosure) is supportable and the acquisition were appropriately accounted.</p>



INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Acquisition of Digimatic Group Limited (“Digimatic”) (continued)</p> <p>We focused on the accounting for the acquisition as the transaction is material and it required key areas of judgement relating to:</p> <ul style="list-style-type: none"> • Fair value of consideration and re-measurement of investments at FVOCI <p>The Group applied significant judgement to determine that the fair value consideration was assessed based on the independent valuation of 8VIC’s capitalisation of future maintainable earnings (“FME”) as the primary methodology instead of the quoted price of new shares issued by Digimatic to the Company (due to indicative of few recent transactions and downwards trend).</p> <p>Judgements, estimates and assumptions in determining the fair value considerations include 8VIC’s growth rate and its multiplier, adjusted by control premium/business risks and management’s selection of mid-point between possible high and low scenarios. The share swap representing the fair value consideration in 8VIC’s 25.3% interest, was valued at S\$5.9 million.</p> <p>In addition, the previously held investment (FVOCI) was re-measured at S\$0.3 million based on the fair value per share arising from the fair value consideration of Digimatic’s acquisition. As a result, a loss arising from the re-measurement of FVOCI was included in the other comprehensive income.</p> <ul style="list-style-type: none"> • Purchase price allocations <p>At the time the financial statements were authorised for issue, the group had not yet completed the purchase price allocations for the acquisition of Digimatic Group Limited. The fair values of the assets and liabilities amounting to S\$9.9 million have only been determined provisionally as the independent valuations have not been finalised.</p>	



INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment on goodwill</p> <p>Refer to Note 14 (Goodwill) to the financial statements.</p> <p>Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.</p> <p>We focused on the goodwill impairment assessment performed by management due to the significant estimates by management and the dependency on future market circumstances. Value in-use calculations were performed by management to assess the recoverable amount. The key assumptions relate to discount rates and growth rates.</p> <p>Based on the results of impairment testing performed by management, there was no impairment of goodwill. This conclusion was based on the recoverable amounts, determined based on value-in-use calculations, which exceeded the carrying value of the cash generating unit (“CGU”), including goodwill as at 31 March 2018. The key assumptions and sensitivity analysis are disclosed in Note 14 of the financial statements.</p>	<p>Our audit procedures included, among others, verifying the mathematical accuracy of the calculations and the basis of the assumptions, under which the discount rate was applied. The examination of the assumptions with respect to the expected growth rates were part of our audit procedures. We tested the assumptions among others by means of comparison with the historic performance of the company and the growth expectation. We also verified the completeness of the disclosures of the assumptions and sensitivity analysis in Note 14 of the financial statements for possible situations that could lead to an impairment.</p> <p>We found the Group’s assumptions and disclosures to be reasonable based on available evidence.</p>



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED (continued)

Other Information

Management is responsible for the other information. The other information comprises information disclosed in Group Overview, Strategic Overview, Operations Overview, Governance and Additional Information, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 8I HOLDINGS LIMITED (continued)

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Rebekah Khan.

A handwritten signature in black ink, which appears to read 'PricewaterhouseCoopers WP', is written across the page.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 29 June 2018

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2018*

	Note	2018 S\$	2017 S\$
Revenue and investment income	4	21,506,451	28,906,069
Other gains	5	425,042	1,255,447
Other income	5	739,023	553,162
Expenses			
- Cost of sales and services	6	(12,425,506)	(6,058,088)
- Administrative expenses	6	(11,048,212)	(8,021,706)
- Other operating expenses	6	(3,858,329)	(5,445,335)
- Finance costs		(83,324)	(41,710)
- Share of loss attributable to the unit holders of redeemable participating shares	21	395,985	-
Share of (loss)/profit of associated companies		(79,789)	566,675
(Loss)/Profit before income tax		(4,428,659)	11,714,514
Income tax expense	8	(9,929)	(221,157)
(Loss)/Profit for the year		(4,438,588)	11,493,357
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets through other comprehensive income			
- Fair value losses at available for sale	17	-	(2,719,704)
Currency translation differences arising from consolidation			
- (Losses)/gains		(1,010,448)	143,859
		(1,010,448)	(2,575,845)
Items that will not be reclassified subsequently to profit or loss:			
- Financial losses, at FVOCI	17	(11,171,173)	-
Other comprehensive expense, net of tax		(12,181,621)	(2,575,845)
Total comprehensive (expense)/income		(16,620,209)	8,917,512
(Loss)/Profit attributable to:			
Equity holders of the Company		(4,249,612)	11,245,023
Non-controlling interests		(188,976)	248,334
		(4,438,588)	11,493,357
Total comprehensive (expense)/income attributable to:			
Equity holders of the Company		(16,447,952)	8,648,328
Non-controlling interests		(172,257)	269,184
		(16,620,209)	8,917,512
(Loss)/Earnings per share attributable to equity holders of the Company (S\$ cents per share)			
Basic earnings per share	9	(1.19)	3.14
Diluted earnings per share	9	(1.19)	3.14

The accompanying notes form an integral part of these financial statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2018

		31 March	
	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	10	23,328,043	12,562,376
Trade and other receivables	11	11,874,662	10,681,560
Financial assets, at FVPL	12	25,696,375	26,356,434
Inventories		454,723	-
		61,353,803	49,600,370
Non-current assets			
Other receivables	11	733,603	148,667
Plant and equipment	13	1,356,466	910,601
Goodwill	14	1,688,861	3,459,119
Investment in an associated company	16	1,263,908	1,425,911
Financial assets, at FVOCI/available-for-sale	17	1,751,877	13,025,188
Deferred income tax assets	22	217,905	-
		7,012,620	18,969,486
Total assets		68,366,423	68,569,856
LIABILITIES			
Current liabilities			
Trade and other payables	18	3,693,680	2,782,540
Finance lease liabilities	19	33,578	50,180
Borrowings	10	4,209,809	-
Current income tax liabilities	8	235,094	248,980
Unearned revenue	20	4,938,840	3,157,151
Redeemable participating shares	21	7,035,922	-
		20,146,923	6,238,851
Non-current liabilities			
Finance lease liabilities	19	57,692	92,040
Deferred income tax liabilities	22	93,591	5,344
Unearned revenue	20	69,523	538,295
		220,806	635,679
Total liabilities		20,367,729	6,874,530
NET ASSETS		47,998,694	61,695,326
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	34,422,910	34,422,910
Other reserves	24	(10,869,540)	(720,786)
Retained profits		21,073,166	26,227,725
		44,626,536	59,929,849
Non-controlling interests	15	3,372,158	1,765,477
Total equity		47,998,694	61,695,326

The accompanying notes form an integral part of these financial statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION - COMPANY***As at 31 March 2018*

	Note	31 March	
		2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	10	5,369,817	2,809,430
Trade and other receivables	11	17,227,838	27,839,749
Financial assets, at FVPL	12	37,000	-
Current income tax asset	8	3,959	30,650
		22,638,614	30,679,829
Non-current assets			
Investments in subsidiaries	15	28,288,147	13,984,921
Financial assets, at FVOCI/available-for-sale	17		428,267
Other receivables	11	733,603	-
		29,021,750	14,413,188
Total assets		51,660,364	45,093,017
LIABILITIES			
Current liabilities			
Trade and other payables	18	4,494,147	4,126,264
Borrowings	10	4,209,809	-
Unearned income	20	274,704	-
		8,978,660	4,126,264
Total liabilities		8,978,660	4,126,264
NET ASSETS		42,681,704	40,966,753
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	34,422,910	34,422,910
Other reserves	24	(2,062,917)	76,042
Retained profits		10,321,711	6,467,801
Total equity		42,681,704	40,966,753

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	Attributable to equity holders of the Company		Attributable to equity holders of the Company				Non-controlling interests	Total equity	
	Share capital	Treasury shares	Fair value reserve	Currency translation reserve	Capital reserve	Retained profits			Total
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2018									
Beginning of financial year	34,422,910	-	1,082,461	113,915	(1,917,162)	26,227,725	59,929,849	1,765,477	61,695,326
Loss for the year	-	-	-	-	-	(4,249,612)	(4,249,612)	(188,976)	(4,438,588)
Other comprehensive expense/(income) for the year	-	-	(11,171,173)	(1,027,167)	-	-	(12,198,340)	16,719	(12,181,621)
Total comprehensive expense for the year	-	-	(11,171,173)	(1,027,167)	-	(4,249,612)	(16,447,952)	(172,257)	(16,620,209)
Dividends on ordinary shares	-	-	-	-	-	(904,947)	(904,947)	(220,000)	(1,124,947)
Incorporation of subsidiaries	-	-	-	-	-	-	-	151,047	151,047
Disposal of a subsidiary with consideration of treasury shares	-	(3,716,405)	-	-	-	-	(3,716,405)	(810,395)	(4,526,800)
Reclassification of non-controlling unit holders to liability	-	-	-	-	-	-	-	(617,114)	(617,114)
Acquisition of Digimatic Group Ltd in exchange for disposal of 25.3% interest in 8VIC	-	-	-	-	5,849,643	-	5,849,643	3,424,905	9,274,548
Acquisition of non-controlling interest without a change in control	-	3,716,405	-	-	(3,800,057)	-	(83,652)	(149,505)	(233,157)
Total transactions with owners, recognised directly in equity	-	-	-	-	2,049,586	(904,947)	1,144,639	1,778,938	2,923,577
End of financial year	34,422,910	-	(10,088,712)	(913,252)	132,424	21,073,166	44,626,536	3,372,158	47,998,694

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	Attributable to equity holders of the Company						Non-controlling interests		Total equity
	Share capital	Fair value reserve	Currency translation reserve	Capital reserve	Retained profits	Total	controlling interests		
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2017									
Beginning of financial year	30,736,966	3,802,165	(9,094)	-	16,779,280	51,309,317	1,113,516	52,422,833	
Profit for the year	-	-	-	-	11,245,023	11,245,023	248,334	11,493,357	
Other comprehensive (expense)/income for the year	-	(2,719,704)	123,009	-	-	(2,596,695)	20,850	(2,575,845)	
Total comprehensive income for the year	-	(2,719,704)	123,009	-	11,245,023	8,648,328	269,184	8,917,512	
Shares buy-back	23	(286,707)	-	-	-	(286,707)	-	(286,707)	
Dividends on ordinary shares	25	-	-	-	(1,796,578)	(1,796,578)	(343,000)	(2,139,578)	
Acquisition of a subsidiary		-	-	-	-	-	138,124	138,124	
Acquisition of a subsidiary by way of shareswap	30	2,040,000	-	-	-	2,040,000	(13,972)	2,026,028	
Acquisition of non-controlling interest without a change in control	30	1,932,651	-	-	(1,917,162)	-	15,489	(15,489)	
Investment from non-controlling interest on subsidiary's issuance of participating shares		-	-	-	-	-	617,114	617,114	
Total transactions with owners, recognised directly in equity		3,685,944	-	-	(1,917,162)	(1,796,578)	(27,796)	354,981	
End of financial year	34,422,910	1,082,461	113,915	(1,917,162)	26,227,725	59,929,849	1,765,477	61,695,326	

The accompanying notes form an integral part of these financial statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2018*

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
(Loss)/profit for the year		(4,438,588)	11,493,357
Adjustments for:			
- Income tax expense	8	9,929	221,157
- Gain on disposal of an associated company	4	-	(1,199,836)
- Gain on disposal of a subsidiary	4, 15(d)	(971,860)	(10,370,350)
- Gain on initial recognition at its fair value from former associated company to AFS	17	-	(1,160,825)
- Net fair value loss/(gain) of investment securities held at fair value through profit or loss	4	1,353,244	(1,609,600)
- Net gain on disposal of investment securities held at fair value through profit or loss	4	(120,925)	(907,788)
- Gain from bargain purchase	5, 30	(425,042)	-
- Interest income	5	(467,146)	(260,892)
- Dividend income	4	(684,461)	(481,121)
- Depreciation of plant and equipment	6	622,164	335,458
- Loss on disposal of plant and equipment		-	2,618
- Plant and equipment written off		-	6,910
- Bad debts written off	6	-	338,205
- Credit loss allowance	6	169,685	-
- Finance costs		83,324	41,710
- Share of loss/(profit) of associated companies		79,789	(566,675)
- Share of loss attributable to the unit holders of redeemable participating shares	21	(395,985)	-
- Exchange differences		(926,271)	126,078
		(6,112,143)	(3,991,594)
Change in working capital, net of effects from acquisition and disposal of subsidiaries:			
- Trade and other receivables		(575,948)	214,607
- Financial assets through profit or loss		(572,260)	(3,666,169)
- Inventories		(113,077)	-
- Trade and other payables		(671,280)	921,694
- Unearned revenue		272,893	(798,354)
Cash used in operations		(7,771,815)	(7,319,816)
Interest received		467,146	33,309
Dividend received		684,461	481,121
Finance costs paid		(83,324)	(41,710)
Income tax paid	8(b)	(307,398)	(1,477,882)
Net cash used in operating activities		(7,010,930)	(8,324,978)

The accompanying notes form an integral part of these financial statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2018*

	Note	2018 S\$	2017 S\$
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		21,379	369,554
Acquisition of subsidiaries by share swap, net of cash acquired	30	10,459,440	-
Acquisition of non-controlling interest without a change in control		(233,157)	-
Acquisition of an associated company	16	-	(1,287,440)
Contribution from non-controlling interest for incorporation of a new subsidiary		151,047	-
Additional investment in an associated company		-	(42,000)
Proceeds from disposal of plant and equipment		-	3,227
Proceeds from sale of subsidiary, net of cash disposed	15(d), 15(e)	(1,043,276)	10,574,549
Proceeds from sale of shares in an associated company	15(f)	-	3,085,028
Loan to a non-related party		(735,000)	(7,169,000)
Additions to plant and equipment	13	(613,282)	(545,038)
Additions to financial assets through other comprehensive income	17	(88,964)	(353,370)
Addition to pledged deposits	10	(5,000,000)	-
Net cash provided by investing activities		2,918,187	4,635,510
Cash flows from financing activities			
Dividend paid to equity holders of the Company	25	(904,947)	(1,796,578)
Dividend paid to non-controlling interest		(220,000)	(343,000)
Shares buy-back	23	-	(286,707)
Repayment of finance lease liabilities		(41,245)	(59,341)
Proceeds received from fund's non-controlling unit holders	21	6,814,793	-
Net cash provided by/(used in) financing activities		5,648,601	(2,485,626)
Net increase/(decrease) in cash and cash equivalents		1,555,858	(6,175,094)
Cash and cash equivalents			
Beginning of financial year		12,562,376	18,737,470
End of financial year		14,118,234	12,562,376

The accompanying notes form an integral part of these financial statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2018***Significant non-cash transactions:**

- a) Consideration paid on acquisition of subsidiary, Digimatic Group Limited, on 28 November 2017 by way of share swap, with partial disposal of 25.3% equity interest in subsidiary 8VIC Global Pte. Limited of S\$5,849,643, no actual cash paid for this transaction (Note 30).
- b) Consideration paid on acquisition of 2% non-controlling interest of Digimatic Group Limited by reissuance of treasury shares (Note 23 (b)).
- c) Consideration paid on acquisition of subsidiary, 8VIC Singapore Pte Ltd (formerly known as Financial Joy Institute Pte. Ltd. ("FJI")) on 29 June 2016 is by way of shareswap for value of S\$2,040,000, no actual cash paid for this transaction.
- d) Consideration paid on acquisition of remaining non-controlling interest of FJI on 31 March 2017 is by way of share swap for value of S\$4,632,651, no actual cash paid for this transaction.

Reconciliation of liabilities arising from financing activities:

	1 April 2017	Principal and interest payments	Non-cash changes		31 March 2018
			Interest expense	Foreign exchange movement	
	S\$	S\$	S\$	S\$	S\$
Bank borrowings	-	4,287,023	(77,214)	-	4,209,809

The bank borrowings have been fully repaid subsequent to the financial year.

The accompanying notes form an integral part of these financial statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

8I HOLDINGS LIMITED (the “Company”) is listed on the Australia Securities Exchange and incorporated and domiciled in Singapore. The address of its registered office is Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233.

The principal activities of the Company are investment holding and management consultancy services. The principal activities of its subsidiaries are the seminars and programs organiser as well as investment in public and private companies.

2. Significant accounting policies**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2018

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statements.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.1 Basis of preparation (continued)****FRS 109 Financial instruments**

The Group has elected to early adopt FRS 109 Financial instruments. The accounting policy is disclosed in Note 2.9. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2017.

(i) Classification and measurement

For financial assets held by the Group on 1 April 2017, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under FRS 109 Financial instruments. Material reclassifications/adjustments resulting from management's assessment are disclosed below.

- *Equity investments reclassified from available-for-sale to Fair value through other comprehensive income ("FVOCI")*

The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income. As a result, assets with a fair value of S\$13,025,188 were reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 April 2017.

(ii) Impairment of financial assets

The following financial assets are subject to the expected credit loss model under FRS 109:

- trade receivables;
- loans to non-related parties and other receivables at a mortised cost.

The impairment methodology for each of these classes of financial assets under the FRS 109 is as disclosed in Note 2.9 and Note 27(b).

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.2 Revenue recognition (continued)***(a) Rendering of services*

Revenue is recognised when the services are rendered. This included program sales, events site rental income, digital production and advertising income. Commission and referral income is recognised when the related services are provided.

(b) Sale of goods

Revenue from these sales is recognised when the Group has delivered the goods to locations specified by its customers and the customers have accepted the goods in accordance with the sales contract and the collectability of the related receivables is reasonably assured.

(c) Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.4 Group accounting***(a) Subsidiaries**(i) Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, inter-companies transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.4 Group accounting (continued)***(a) Subsidiaries (continued)**(ii) Acquisitions (continued)*

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.4 Group accounting (continued)***(c) Associated companies (continued)**(i) Acquisitions*

Investments in associated companies is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies is changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies is derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies and in the separate financial statements of the Company.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.5 Plant and equipment***(a) Measurement**(i) Plant and equipment*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Office equipment	1 to 3 years
Furniture and fittings	3 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and (losses)".

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.6 Goodwill**

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold.

2.7 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets*(a) Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.8 Impairment of non-financial assets (continued)**

(b) *Plant and equipment
Investments in subsidiaries and associated companies*

Plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.9 Financial assets

The accounting for financial assets before 1 April 2017 are as follows:

(a) *Classification*

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.9 Financial assets (continued)***(a) Classification (continued)**(i) Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term.

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(iii) Financial assets, held-to-maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of financial assets, held-to-maturity, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

*(b) Recognition and derecognition**Financial assets, available-for-sale assets*

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.9 Financial assets (continued)***(c) Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Financial assets, available-for-sale and financial assets at FVPL are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.9 Financial assets (continued)***(e) Impairment (continued)**(i) Loans and receivables (continued)*

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

The accounting for financial assets from 1 April 2017 are as follows:

(f) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.9 Financial assets (continued)***(f) Classification and measurement (continued)*At subsequent measurement*(i) Debt instruments*

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/(losses)". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income that is not part of a hedging relationship is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses)".

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/(losses)", except where the Group has elected to classify the investments as FVOCI.

Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.9 Financial assets (continued)***(g) Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(h) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.12 Fair value estimation of financial assets and liabilities**

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.13 Leases*(a) When the Group is the lessee*

The Group leases motor vehicles under finance leases and office premises and event spaces under operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the consolidated statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***2. Significant accounting policies (continued)****2.13 Leases (continued)***(a) When the Group is the lessee (continued)**(ii) Lessee - Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor:

The Group leases event rental space under operating leases to non-related parties.

(i) Lessor - Operating leases

Leases of event rental spaces where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.14 Income taxes (continued)**

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.15 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.17 Currency translation***(a) Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)**2.19 Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the consolidated statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.20 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.21 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.22 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.23 Redeemable participating shares

Redeemable participating shares are redeemable at the option of the unit holders and providing the investors with the right to require redemption for cash at the value proportionate to the investor's share in the fund's net assets. Profit/(losses) attributable to the holders of redeemable participating shares were recorded as part of the liabilities of redeemable participating shares.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

- (a) *Acquisition of Digimatic Group Limited ("DMC") (acquisition of 69.7% equity interest on 28 November 2017)*

In performing the fair value considerations of DMC, significant judgements, estimates and assumptions are used to determine the fair value consideration (independent valuation of subsidiary based on future maintainable earnings method). Detailed information about each of these estimates and judgements is included in Note 30.

- (b) *Estimated impairment goodwill*

In performing the impairment assessment of the carrying amount of goodwill, the recoverable amount of the CGU (Education CGU) in which goodwill has been attributable to, are determined in using value-in-use ("VIU") calculation. Significant estimates are used to estimate the discount rate, short term and long term growth rate in revenues and expenses. Detailed information about each of these estimates and judgements is included in Note 14.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

4. Revenue and investment income

	2018	2017
	S\$	S\$
		<u>Group</u>
Rendering of services		
Event site rental income	931,701	2,238,937
Financial education program sales	12,591,387	10,802,296
Advertising income	2,203,811	1,258,035
Digital marketing and production income	552,223	-
Commission and referral income	1,311,747	-
Non-financial education program sales	2,570,506	-
Others	-	38,106
	20,161,375	14,337,374
Sales of goods	921,074	-
Investment income/(losses) from public markets		
Fair value (loss)/gain on investment securities	(1,353,244)	1,609,600
Gain on sale of investment securities	120,925	907,788
Dividend income	684,461	481,121
	(547,858)	2,998,509
Investment income from private markets		
Gain on disposal of a subsidiary (Note 15 (d,e))	971,860	10,370,350
Gain on disposal of an associated company's shares	-	1,199,836
	971,860	11,570,186
Total revenue and investment income	21,506,451	28,906,069

5. Other gains and other income

	2018	2017
	S\$	S\$
		<u>Group</u>
Other gains		
Gain from bargain purchase (Note 30(i)(f))	425,042	-
Gain on initial recognition at its fair value from former associated company to available-for-sale financial assets (Note 17)	-	1,160,825
Gain on foreign exchange - net	-	94,622
	425,042	1,255,447
Other income		
Interest income	467,146	260,892
Others	271,877	292,270
	739,023	553,162

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***6. Expenses by nature**

	2018	<u>Group</u>	2017
	S\$		S\$
Audit fees paid to:			
- Auditors of the Company	301,251		219,858
- Other auditors	47,662		18,101
Non-audit fees paid to:			
- Auditors of the Company	5,350		627,564
- Other auditors	3,017		-
Depreciation of plant and equipment (Note 13)	622,164		335,458
Employee compensation (Note 7)	8,270,806		5,652,869
Rental expense on operating leases	1,910,350		2,071,296
Travelling expense	835,798		524,489
Professional fees	524,727		478,298
Commission	615,736		180,914
Net foreign exchange loss	145,087		-
Marketing expenses	4,105,331		2,169,860
Credit card charges	517,386		404,575
Trainer fees	1,694,465		557,561
Event expenses	608,408		961,064
Food catering expense	242,146		247,178
Book and printing expenses	576,864		366,889
Other program costs	932,838		215,878
Investment related expense	262,957		297,585
Corporate expenses	792,428		2,025,415
Training costs	163,768		180,321
AGM expenses	99,070		150,774
Office expenses	284,141		264,941
Advertising expenses	1,362,763		768,342
Amortisation	100,000		75,000
Bad debts written off	-		338,205
Credit loss allowance	169,685		-
Digital production costs	331,218		-
Cost of inventories	751,131		-
Other expenses	1,055,500		392,694
Total cost of sales and services, administrative expenses and other operating expenses	27,332,047		19,525,129

7. Employee compensation

	2018	<u>Group</u>	2017
	S\$		S\$
Wages and salaries	7,060,995		4,871,021
Employer's contribution to defined contribution plans	771,877		561,888
Other short-term benefits	437,934		219,960
	8,270,806		5,652,869

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***8. Income taxes**

(a) Income tax expense

	2018	<u>Group</u>	2017
	S\$		S\$
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	-		95,276
- Foreign	122,525		344,797
	122,525		440,073
Deferred income tax (Note 22)	(2,571)		(6,000)
	119,954		434,073
- Under/(over) provision in prior financial years:			
Current income tax	95,769		(212,916)
Deferred income tax (Note 22)	(205,794)		-
	9,929		221,157

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2018	<u>Group</u>	2017
	S\$		S\$
(Loss)/Profit before income tax	(4,428,659)		11,714,514
Share of loss /(profit) of associated company, net of tax	79,789		(566,675)
(Loss)/Profit before income tax and share of loss /(profit) of associated company	(4,348,870)		11,147,839
Tax calculated at tax rate of 17% (2017: 17%)	(739,308)		1,895,132
Effects of:			
- different tax rates in other countries	1,003		44,195
- tax incentives	(84,193)		(130,385)
- expenses not deductible for tax purposes	448,283		471,785
- income not subject to tax	(216,081)		(2,132,838)
- deferred tax assets not recognised	712,821		287,955
- others	-		4,229
- under/(over) provision of tax in prior financial years	95,769		(212,916)
Tax charge	218,294		227,157

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

8. Income taxes (continued)

(b) Movement in current income tax liabilities/(assets):

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Beginning of financial year	248,980	1,457,699	(30,650)	29,766
Currency translation differences	2,852	435	-	-
Acquisition and disposal of subsidiaries	72,366	41,571	-	-
Income tax (paid)/credited	(307,398)	(1,477,882)	26,691	(31,961)
Tax expense	122,525	440,073	-	-
Under/(Over) provision in prior financial years	95,769	(212,916)	-	(28,455)
End of financial year	<u>235,094</u>	<u>248,980</u>	<u>(3,959)</u>	<u>(30,650)</u>

9. Earnings per share

	2018	2017
Net (losses)/profit attributable to equity holders of the Company (S\$)	(4,249,612)	11,245,023
Weighted average number of ordinary shares outstanding for basic earnings per share	358,507,352	357,720,786
Basic earnings per share (S\$ cents per share)	<u>(1.19)</u>	<u>3.14</u>

10. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Cash at bank and on hand	17,572,023	11,246,576	369,817	2,809,430
Short-term bank deposits	5,756,020	1,315,800	5,000,000	-
	<u>23,328,043</u>	<u>12,562,376</u>	<u>5,369,817</u>	<u>2,809,430</u>

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<u>Group</u>	
	2018	2017
	S\$	S\$
Cash and bank balances (as above)	23,328,043	12,562,376
Less: Bank deposits pledged	(5,000,000)	-
Less: Bank overdraft	(4,209,809)	-
Cash and cash equivalents per consolidated statement of cash flows	<u>14,118,234</u>	<u>12,562,376</u>

Bank deposits are pledged against bank overdraft facility. The bank overdraft facility had been fully settled and charge satisfied subsequent to the financial year end.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

11. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Current				
Trade receivables	2,612,177	1,003,231	-	-
Other receivables				
- Non-related parties (a)	7,215,683	7,373,826	7,215,683	7,373,826
- Subsidiaries	-	-	9,979,679	20,162,012
- Others (b)	634,568	692,171	8,195	261,641
Deposits	689,642	705,310	-	-
Prepayments (c)	892,277	907,022	30,545	42,270
Credit loss allowance	(169,685)	-	(6,264)	-
	11,874,662	10,681,560	17,227,838	27,839,749
Non-current				
Other receivables (d)	733,603	148,667	733,603	-

- (a) Advances were granted to a previously associated company amounting to S\$7,196,483 (2017: S\$7,373,826) is secured by the borrower's assets, bears interest at 5% per annum and is repayable 10 years from commencement date or by notice from lender within 6 months requiring payment in full.
- (b) Included in the other receivables is an advance to an employee amounting to S\$200,000 (2017: S\$nil). The advance is unsecured, interest bearing at 5% per annum and repayable on demand.
- (c) Prepayments include an amount of S\$325,000 (2017: S\$425,000), arising from the remuneration element included in the consideration through share swap acquisition of 8VIC Singapore Pte. Ltd. (formerly known as FinancialJoy Institution Pte. Ltd. ("FJI")). The remuneration element required the founders of FJI to remain in employment until the period of June 2021.
- (d) Non-current other receivables fair value approximates carrying amount. A promissory note of S\$240,000 and loan to a non-related developer of S\$495,000, classified as non-current assets (due more than 12 months period).

12. Financial assets at FVPL

	<u>Group</u>		<u>Company</u>	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<i>Fair value through profit or loss:</i>				
Listed securities				
- Equity securities - Australia	6,961,018	15,537,537	-	-
- Equity securities - Japan	101,397	9,645,155	-	-
- Equity securities - India	4,848,012	710,955	-	-
- Equity securities - Taiwan	13,117,436	219,233	-	-
- Equity securities - New Zealand	-	82,973	-	-
- Equity securities - Malaysia	179,619	160,581	-	-
- Equity securities - Singapore	488,893	-	37,000	-
	25,696,375	26,356,434	37,000	-

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

13. Plant and equipment

	Office equipment	Furniture and fittings	Motor vehicles	Total
	S\$	S\$	S\$	S\$
Group				
2018				
Cost				
Beginning of financial year	480,547	781,192	264,937	1,526,676
Currency translation differences	3,166	24,318	12,479	39,963
Acquisition of subsidiaries	263,243	294,720	-	557,963
Disposal of subsidiary	(93,590)	(114,373)	(95,800)	(303,763)
Additions	126,498	486,784	-	613,282
Written off	(4,207)	(7,826)	-	(12,033)
End of financial year	775,657	1,464,815	181,616	2,422,088
Accumulated depreciation				
Beginning of financial year	306,458	224,256	85,361	616,075
Currency translation differences	1,082	9,530	4,685	15,297
Disposal of subsidiary	(61,159)	(65,225)	(49,497)	(175,881)
Depreciation charge (Note 6)	176,980	399,143	46,041	622,164
Written off	(4,207)	(7,826)	-	(12,033)
End of financial year	419,154	559,878	86,590	1,065,622
Net book value				
End of financial year	356,503	904,937	95,026	1,356,466
2017				
Cost				
Beginning of financial year	336,173	408,443	208,573	953,189
Currency translation differences	(31,502)	(11,876)	(16,658)	(60,036)
Acquisition of subsidiary	16,607	15,367	78,281	110,255
Additions	162,415	382,623	-	545,038
Disposals	(3,146)	-	(5,259)	(8,405)
Written off	-	(13,365)	-	(13,365)
End of financial year	480,547	781,192	264,937	1,526,676
Accumulated depreciation				
Beginning of financial year	207,670	73,402	39,538	320,610
Currency translation differences	(28,272)	4,929	(7,635)	(30,978)
Depreciation charge (Note 6)	129,620	152,380	53,458	335,458
Disposals	(2,560)	-	-	(2,560)
Written off	-	(6,455)	-	(6,455)
End of financial year	306,458	224,256	85,361	616,075
Net book value				
End of financial year	174,089	556,936	179,576	910,601

The carrying amounts of motor vehicles held under finance leases are S\$95,026 (2017: S\$179,576) at the balance sheet date.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***14. Goodwill**

Goodwill arising on consolidation

	2018	<u>Group</u>	2017
	S\$		S\$
<i>Cost</i>			
Beginning of financial year	3,459,119		1,901,072
Acquisition of subsidiaries	130,814		1,558,047
Disposal of a subsidiary (Note 15(d))	(1,901,072)		-
End of financial year	1,688,861		3,459,119

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segments as follows:

	2018	2017
	S\$	S\$
Group		
Private markets	134,319	1,904,577
Education	1,554,542	1,554,542
	1,688,861	3,459,119

Goodwill relating to the Education Cash Generating Unit ("CGU")

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

Management determined budgeted revenues and expenses based on past performance and its expectations of market developments. The short term average growth rates used were consistent with forecasts and long term growth rate does not exceed customer price index in Singapore. The discount rates used were pre-tax and reflected specific risks relating to the CGU.

Key estimates used for value-in-use calculations

	2018	2017
Discount rate (pre-tax)	22.81%	22.81%
Short term growth rate	10-15%	1-3%
Long term growth rate	0%	0%
Gross profit margin	25%	23%

The impairment test carried out as at 31 March 2018 for the education segment, has revealed that the recoverable amount of the CGU is higher than its carrying amount. A further decrease in the growth rate by 2% or increase in discount rate by 2% would still result in no impairment of the CGU's carrying value.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

15. Investments in subsidiaries

	<u>Company</u>	
	2018	2017
	S\$	S\$
Equity investments at cost		
Beginning of financial year	13,984,921	3,424,521
Acquisition of a subsidiary (a)	8,300,020	10,560,400
Disposal of a subsidiary (a)(i)	(2,456,606)	-
Impairment of investment (b)	(1,540,188)	-
Increase in investment (c)	10,000,000	-
End of financial year	28,288,147	13,984,921

- a. Acquisition of subsidiaries amounting to S\$8,294,965 is in connection with DMC acquisition (Note 24 and Note 30(i)(a))

	2018
	S\$
Acquisition of DMC (i)	5,971,223
Existing equity interest held in DMC as FVOCI at parent entity level being reclassified to investment in a subsidiary	18,078
Additional acquisition of 2% equity interest in DMC (ii)	2,310,719
End of financial year	8,300,020

- (i) The Company acquired approximately 58.9% interest in DMC amounting to S\$5,971,223 (Note 30(i)(a)). The acquisition of DMC was satisfied through the disposal of the Company's 95% interest in 8VIC Global Pte. Limited to DMC.

The carrying value of the investment in 8VIC Global Pte. Limited, at cost, was S\$2,456,606. The difference between the consideration of S\$5,971,223 and the carrying value of S\$2,456,606 was recognised as a gain on disposal of a subsidiary in the income statement of the Company.

- (ii) On 25 January 2018, the Group acquired an additional 2% equity interest in DMC by re-issuing 7,000,000 treasury shares at a fair value of S\$2,072,504 which represents 8IH's quoted price as of the date of transaction (Note 23(b)) and cash of S\$238,215. The total additional investment amounted to S\$2,310,719.

- b. Impairment of investment in DMC

An allowance for impairment loss amounting to S\$1,540,188 was made during the year in respect to reduce the carrying value of the investments additional of the 2% acquisition as described in Note 15(a)(ii) above to the recoverable amounts. The recoverable amount was determined using the same basis as the fair value consideration arising from the DMC acquisition. (Note 30(i)(a)).

- c. Effective from 1 April 2017, the Company converted its receivables from its subsidiary (8IH Global Limited) amounting to S\$10,000,000 into equity.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

15. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 March 2018 and 2017:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2018 %	2017 %	2018 %	2017 %	2018 %	2017 %
Held by the Company:								
8 Investment Pte. Ltd.	Business management consultancy	Singapore	100	100	100	100	-	-
8 Business Pte. Ltd.	Business management consultancy	Singapore	100	100	100	100	-	-
8IH Global Limited	Investment trading	Mauritius	100	100	100	100	-	-
8Bit Global Pte. Ltd. (formerly known as 8I Media Pte. Ltd.)	Computer programming and data processing and hosting	Singapore	100	100	100	100	-	-
Hidden Champions Capital Management Pte. Ltd (formerly known as 8 Capital Pte. Ltd.)	Registered fund management company	Singapore	100	100	100	100	-	-
Digimatic Group Limited	Investment holding and development of other software and programming activities	Singapore	-	-	72	-	28	-
Held through 8 Investment Pte. Ltd.								
Fusion 462 Pte. Ltd.	Dormant	Singapore	-	-	100	100	-	-
Oxford Views Pte. Ltd.	Dormant	Singapore	-	-	100	100	-	-
Vue at Red Hill Pte. Ltd.	Business management consultancy	Singapore	-	-	100	100	-	-
Held through 8 Business Pte. Ltd.								
Hemus Pacific Private Limited	Events organiser	Singapore	-	-	-	51	-	49
Held through 8IH Global Limited								
Hidden Champions Fund	Investment trading	Mauritius	-	-	100	100	-	-
8IH China Pte. Ltd.	Business management consultancy	Singapore	-	-	65	65	35	35
8 MAD Group Sdn Bhd	Investment holdings	Malaysia	-	-	51	51	49	49
Held through 8IH China Pte. Ltd.								
8IH China (Shanghai) Co. Ltd 信益安（上海）实业有限公司	Business and management consultancy services	People's Republic of China	-	-	65	65	35	35
Held through 8IH China (Shanghai) Co. Ltd								
Shanghai Rong Dao Culture Communication Co. Ltd 上海融道文化传播有限公司	Seminar and programs organiser	People's Republic of China	-	-	44.2	-	55.8	-

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

15. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 March 2018 and 2017:

<u>Name</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares directly held by parent</u>		<u>Proportion of ordinary shares held by the Group</u>		<u>Proportion of ordinary shares held by non-controlling interests</u>	
			<u>2018</u> %	<u>2017</u> %	<u>2018</u> %	<u>2017</u> %	<u>2018</u> %	<u>2017</u> %
Held through 8 MAD Group Sdn Bhd								
MAD Integrated Sdn Bhd	Advertising and event management	Malaysia	-	-	51	51	49	49
MAD Training Sdn Bhd	Advertising, public relations and publicity programmes	Malaysia	-	-	51	51	49	49
Leap Asia Sdn. Bhd.	Advertising and event management	Malaysia	-	-	28.6	-	71.4	-
Held through Digimatic Group Limited								
8VIC Global Pte. Limited	Seminar and programs organiser	Singapore	-	95	72	95	28	5
Digimatic Creatives Pte. Ltd.	Motion picture/ video production	Singapore	-	-	36.7	-	63.3	-
Digimatic Media Private Limited	Conducting business courses/ advertising activities	Singapore	-	-	72	-	28	-
Webbynomics Pte. Ltd.	E-commerce	Singapore	-	-	36.7	-	63.3	-
Wewe Media Group Pte. Ltd.	Advertising activities	Singapore	-	-	72	-	28	-
Held through 8VIC Global Pte. Limited								
8VIC Malaysia Sdn. Bhd.	Seminar and programs organiser	Malaysia	-	-	72	95	28	5
8VIC Singapore Pte. Ltd. (formerly known as Financial Joy Institute Pte. Ltd.)	Seminar and programs organiser	Singapore	-	-	72	95	28	5
8VIC (Australia) Pty Ltd	Seminar and programs organiser	Australia	-	-	64.8	-	35.2	-
8VIC Taiwan Co., Ltd	Seminar and programs organiser	Taiwan	-	-	50.4	-	49.6	-
8VIC (Thailand) Company Limited	Seminar and programs organiser	Thailand	-	-	50.4	-	49.6	-
Held through 8VIC Malaysia Sdn. Bhd.								
8VIC JooY Media Sdn. Bhd.	Agency and media	Malaysia	-	-	50.4	-	49.6	-
Held through Digimatic Creatives Pte. Ltd.								
Anonymous Production Sdn Bhd	Motion picture/ video production	Malaysia	-	-	72	-	28	-
Held through Digimatic Media Private Limited								
Digimatic Media Sdn Bhd	Conducting business courses	Malaysia	-	-	72	-	28	-
Keaworld Pte. Ltd.	E-commerce	Singapore	-	-	72	-	28	-

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***15. Investments in subsidiaries (continued)*****Significant restrictions***

Cash and short-term deposits of S\$635,919 are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

	2018	2017
	S\$	S\$
<i>Carrying value of non-controlling interests</i>		
Digimatic Group Limited and its subsidiaries	3,338,270	-
Hemus Pacific Private Limited	-	742,845
Others	33,888	1,022,632
Total	3,372,158	1,765,477

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	Digimatic Group Limited and its subsidiaries 31 March 2018 S\$	Hemus Pacific Private Limited 31 March 2017 S\$
Current		
Assets	14,018,323	1,803,798
Liabilities	(6,570,130)	(409,496)
Total current net assets	7,448,193	1,394,302
Non-current		
Assets	14,028,788	123,052
Liabilities	(130,771)	(1,344)
Total non-current net assets	13,898,017	121,708
Net assets	21,346,210	1,516,010

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

15. Investments in subsidiaries (continued)*Summarised statement of comprehensive income*

	Digimatic Group Limited and its <u>subsidiaries</u> For period ended 31 March 2018 S\$	Hemus Pacific <u>Private Limited</u> For period ended 31 March 2017 S\$
Revenue	17,305,069	2,238,937
Profit/(loss) before income tax	549,849	(107,089)
Income tax expense	(105,183)	-
Profit/(loss) for the year	444,666	(107,089)
Total comprehensive income allocated to non-controlling interests	(75,305)	52,474
Dividends paid to non-controlling interests	220,000	98,000

Summarised statement of cash flows

	Digimatic Group Limited and its <u>subsidiaries</u> 31 March 2018 S\$	Hemus Pacific <u>Private Limited</u> 31 March 2017 S\$
<u>Cash flows from operating activities</u>		
Cash generated from operations	175,356	(108,775)
Finance costs paid		(1,596)
Interest income received	28,650	-
Income tax refunded/(paid)	64,430	(68,315)
Net cash provided by/(used in) operating activities	268,436	(178,686)
Net cash generated from/(used in) investing activities	9,730,666	(38,759)
Net cash used in financing activities	(4,412,009)	(226,133)
Net increase in cash and cash equivalents	5,587,093	(443,578)
Cash and cash equivalents at beginning of year	4,206,647	1,419,442
Cash and cash equivalents at end of year	9,793,740	975,864

There were no transactions with non-controlling interests for the financial years ended 31 March 2018 and 2017, except as disclosed in Note 30.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***15. Investments in subsidiaries (continued)**Note 15(d): Current year disposal of a subsidiary

On 19 May 2017, the Company and its wholly owned subsidiary, 8 Business Pte. Ltd., entered into an agreement with a founder of Hemus Pacific Private Limited (“Hemus”) and also as shareholder Clear A2Z Pte. Ltd. for sale of the Company’s entire interest in Hemus, in consideration for 7,000,000 8I Holdings (“8IH”) shares (equivalent of S\$3,716,405 as of transaction date) in the form of treasury shares (held by Clear A2Z Pte. Ltd.). The Transaction was approved during annual general meeting, on 27 July 2017. As a result, there was loss of control and Hemus ceased to be a subsidiary of the Group. Accordingly, a gain on disposal of a subsidiary of S\$971,860 is recognised.

The effect of the disposal was as follows:

	2018 S\$
Consideration for 7,000,000 8IH shares in the form of treasury shares	3,716,405
<u>Carrying amounts of assets and liabilities disposed of</u>	
Net assets derecognised (including goodwill of S\$1,901,072 and cash in bank of S\$1,043,276)	3,554,940
Less: Non-controlling interests	(810,395)
Net assets disposed of	<u>2,744,545</u>
Gain from sale of a subsidiary’s shares (Note 4)	<u>971,860</u>

Note 15(e): Prior year disposal of a subsidiary

On 19 August 2016, the Company disposed of its entire interest in Oxford Views Pty Ltd for a cash consideration of S\$10,581,705. The effects of the disposal on the cash flows of the Group were:

	2017 S\$
<u>Carrying amounts of assets and liabilities disposed of</u>	
Cash and cash equivalents	7,156
Trade and other receivables	215,540
Total assets	<u>222,696</u>
Trade and other payables	<u>(11,341)</u>
Net assets disposed of	<u>211,355</u>

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

15. Investments in subsidiaries (continued)Note 15(e): Prior year disposal of a subsidiary (continued)

The aggregate cash inflows arising from the disposal of Oxford Views Pty Ltd were:

	2017 S\$
Net assets disposed of (as above)	211,355
Gain from sale of a subsidiary's shares (Note 4)	10,370,350
Cash proceeds from disposal	10,581,705
Less: Cash and cash equivalents in subsidiary disposed of	(7,156)
Net cash inflow on disposal	10,574,549

Note 15 (f): Prior year disposal of associated company

On 28 September 2016, Fusion 462 Pte. Ltd. and Vue at Red Hill Pte. Ltd. partially disposed of its holding in Velocity Property Group Limited ("Velocity") for a consideration of S\$3,085,028 (cash inflows arising from disposal). The Group recognised a gain on disposal of S\$1,199,836 (Note 4) and the Group's shareholding in Velocity reduced to 10.7%. Accordingly, Velocity ceased to be an associated company of the Group.

	2017 S\$
Net assets disposed of (Note 16)	1,885,192
Gain on disposal of an associated company's shares (Note 4)	1,199,836
Cash proceeds from disposal	3,085,028

16. Investment in an associated company

	2018 S\$	<u>Group</u> 2017 S\$
CT Hardware Sdn. Bhd.	1,263,908	1,425,911
At beginning of financial year	1,425,911	1,885,151
Acquisition of associated companies	-	1,287,440
Share of (loss)/profit of associated companies	(79,789)	566,675
Disposal of interest in associated company (Note 15(f))	-	(1,885,192)
Translation difference	(82,214)	89,274
Reclassification of remaining interest to available-for-sale (Note 17)	-	(517,437)
At end of financial year	1,263,908	1,425,911

Set out below is the associated company of the Group as at 31 March 2018, which, in the opinion of the directors, are material to the Group. The associated company as listed below have share capital consisting solely of ordinary shares, which is held directly by the Group; the country of incorporation is also its principal place of business.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***16. Investments in an associated company (continued)**

<u>Name of entity</u>	<u>Place of business/ country of incorporation</u>	<u>% of ownership interest</u>
CT Hardware Sdn. Bhd.	Malaysia	49.9%

CT Hardware Sdn. Bhd. ("CTH") is a wholesale and retail sale of power tools, equipment, and machinery. The acquisition of CTH is in line with the Group's value investing strategy of investing in undervalued private businesses with growth potential.

There are no contingent liabilities relating to the Group's interest in the associated company.

Set out below is the summarised financial information for CTH.

Summarised statement of financial position

	CTH	
	<u>As at 31 March</u>	
	2018	2017
	S\$	S\$
Current assets	2,544,152	2,716,798
Includes:		
- Cash and cash equivalents	586,123	848,733
Current liabilities	(670,773)	(910,706)
Includes:		
- Financial liabilities (excluding trade payables)	(134,059)	(209,506)
Non-current assets	2,033,410	2,043,057
Non-current liabilities	(1,370,040)	(1,332,084)
Includes:		
- Financial liabilities	(1,370,040)	(1,332,084)
Net assets	2,536,749	2,517,065

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***16. Investments in an associated company (continued)***Summarised statement of comprehensive income*

	CTH	
	For the year ended	
	<u>31 March</u>	
	2018	2017
	S\$	S\$
Revenue and other income	6,794,611	6,071,299
Expenses	(6,954,527)	(5,876,287)
Includes:		
- Depreciation	(122,174)	(109,637)
- Interest expense	(126,744)	(146,691)
(Loss)/Profit before tax	(159,916)	195,012
Income tax expense	-	(12,253)
(Loss)/Profit after tax	(159,916)	182,759

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the associated companies, is as follows:

	CTH	
	<u>As at 31 March</u>	
	2018	2017
	S\$	S\$
At 1 Apr 2017 / Net assets at date of acquisition	2,517,065	2,527,355
Profit for the year	(159,916)	182,759
Foreign exchange differences	179,600	(193,049)
End of financial year	2,536,749	2,517,065
Interest in associated companies (49.9%)	1,265,838	1,256,016
Goodwill	45,666	45,666
Foreign exchange differences	(47,596)	124,229
Carrying value	1,263,908	1,425,911

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

17. Financial assets, at FVOCI/available-for-sale

Financial assets, at FVOCI comprise of equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Beginning of financial year	-	-	-	-
Reclassification at 1 April 2017	13,025,188	-	428,267	-
Additions	88,964	-	89,924	-
Acquisition of subsidiaries	100,000	-	-	-
Fair value losses recognised in other comprehensive income (Note 24)	(11,171,173)	-	(500,113)	-
Reclassification from financial assets at FVOCI to subsidiary (Note 30(i)(e))	(291,102)	-	(18,078)	-
End of financial year	1,751,877	-	-	-

The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income. As a result, assets with a fair value of S\$13,025,188 were reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 April 2017.

Financial assets, available-for sale is summarised as below:

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Beginning of financial year	13,025,188	13,713,260	428,267	-
Reclassification as at 1 April 2017	(13,025,188)	-	(428,267)	-
Additions	-	353,370	-	352,225
Reclassification from associated company to available-for-sale (Note 16)	-	517,437	-	-
Fair value gains recognised in profit or loss from initial re-measurement (Note 5)	-	1,160,825	-	-
Fair value (losses)/gains recognised in other comprehensive income (Note 24)	-	(2,719,704)	-	76,042
End of financial year	-	13,025,188	-	428,267

Financial assets at FVOCI/available-for-sale are analysed as follows:

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Listed securities	1,637,998	13,011,309	-	428,267
Unlisted securities	113,879	13,879	-	-
Total	1,751,877	13,025,188	-	428,267

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

18. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
<i>Current</i>				
Trade payables	870,772	415,894	40,165	177,511
Accruals for operating expenses	2,355,879	1,654,003	368,828	701,518
Deposits received	-	98,087	-	-
GST payable	53,256	238,970	-	-
Other payables	348,773	375,586	78,686	55,171
Amount owing to subsidiaries	-	-	4,006,468	3,192,064
Provision for reinstatement	65,000	-	-	-
Total trade and other payables	3,693,680	2,782,540	4,494,147	4,126,264

19. Finance lease liabilities

The Group leases certain motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	<u>Group</u>	
	2018	2017
	S\$	S\$
Minimum lease payments due		
- Not later than one year	37,286	56,471
- Between one and five years	60,144	100,282
	97,430	156,753
Less: Future finance charges	(6,160)	(14,533)
Present value of finance lease liabilities	91,270	142,220

The present values of finance lease liabilities are analysed as follows:

	<u>Group</u>	
	2018	2017
	S\$	S\$
Not later than one year	33,578	50,180
Later than one year		
- Between one and five years	57,692	92,040
Total	91,270	142,220

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***20. Unearned revenue**

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Current	4,938,840	3,157,151	274,704	-
Non-current	69,523	538,295	-	-
Total	5,008,363	3,695,446	274,704	-

This represents revenue received from customers but not yet recognised to the profit or loss as service has yet to be rendered as at reporting date.

21. Redeemable participating shares

	<u>Group</u>	
	2018	2017
	S\$	S\$
As at beginning of year	-	-
Reclassification of non-controlling unit holders	617,114	-
Proceeds received from fund's non-controlling unit holders	6,814,793	-
Share of loss attributable to the unit holders of redeemable participating shares	(395,985)	-
As at end of year	7,035,922	-

Hidden Champions Fund is an investment fund with redeemable participating shares. These shares relate to amounts payable to non-controlling unit holders of the redeemable participating shares in Hidden Champions Fund. The unit holders are entitled to redeem their shares in cash at the option of the holders at the value proportionate to the investors share in the fund's net assets at the redemption price.

22. Deferred income tax assets/(liabilities)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

	<u>Group</u>	
	2018	2017
	S\$	S\$
Deferred income tax assets		
- To be settled within one year	217,905	-
Deferred income tax liabilities		
- To be settled within one year	(93,591)	(5,344)

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

22. Deferred income tax assets/(liabilities) (continued)

Movement in deferred income tax account is as follows:

	2018	<u>Group</u>	2017
	S\$		S\$
Beginning of financial year	(5,344)		(11,344)
Currency translation differences	11,829		-
Acquisition of subsidiaries	(91,880)		-
Disposal of a subsidiary	1,344		-
Tax credited to			
- profit or loss (Note 8(a))	208,365		6,000
End of financial year	124,314		(5,344)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of S\$5,736,918 (2017: S\$1,639,655) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

The movement in deferred income tax assets/(liabilities) (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group*Deferred income tax liabilities*

	<u>Accelerated tax</u>	<u>Fair value</u>	<u>Total</u>
	<u>depreciation</u>	<u>gains - net</u>	<u>S\$</u>
	S\$	S\$	S\$
2018			
Beginning of financial year	(5,344)	-	(5,344)
Currency translation differences	1,814	-	1,814
Acquisition of subsidiaries	(22,578)	(69,302)	(91,880)
Credited to profit or loss	1,819	-	1,819
End of financial year	(24,289)	(69,302)	(93,591)
2017			
Beginning of financial year	(11,344)	-	(11,344)
Credited to profit or loss	6,000	-	6,000
End of financial year	(5,344)	-	(5,344)

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***22. Deferred income tax assets/(liabilities) (continued)***Deferred income tax assets*

	Accelerated tax <u>depreciation</u> S\$	Unearned <u>Revenue</u> S\$	<u>Total</u> S\$
2018			
Beginning of financial year	-	-	-
Currency translation differences	213	8,012	8,225
Credited to profit or loss	5,430	204,250	209,680
End of financial year	5,643	212,262	217,905
2017			
Beginning/End of financial year	-	-	-

23. Share capital

	Number of <u>shares</u>	<u>Amount</u> S\$
<u>Group and Company</u>		
2018		
Beginning/End of financial year	361,978,585	34,422,910
2017		
Beginning of financial year	356,894,200	30,736,966
Share buy back	(385,442)	(286,707)
Additional share issuance:		
- Acquisition of 51% equity interest in FJI (Note 30(ii))	2,551,939	2,040,000
- Acquisition of 49% non-controlling interest FJI through share swap of the Company's shares (Note 30(ii))	2,917,888	1,932,651
End of financial year	361,978,585	34,422,910

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

On 29 June 2016, the Group acquired 51% equity interest in Financial Joy Institute Pte. Ltd. ("FJI") by way of share swap for a purchase consideration of S\$2.04 million (2,551,939 shares).

The Group acquired the 49% non-controlling interest of FJI on 31 March 2017 (9 months after the initial acquisition date) for a purchase consideration through the issuance of 2,917,888 Company's shares amounting to S\$1,932,651, which is the market share price as at the completion date of the transaction.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

23. Share capital (continued)**Treasury shares**

<u>Group and Company</u>	<u>Number of</u> <u>shares</u>	<u>Amount</u> <u>S\$</u>
2018		
Beginning of financial year	-	-
Treasury shares purchase (a)	7,000,000	3,716,405
Treasury shares re-issued (b)	(7,000,000)	(2,072,504)
Loss on re-issued treasury shares recognised in capital reserve (b)	-	(1,643,901)
End of financial year	-	-

a. Treasury share purchase

The Group has disposed its entire interest in Hemus Pacific Private Limited ("Hemus") to Clear A2Z Pte Ltd, an investment holding company owned by one of the founders of Hemus, for a consideration of 7,000,000 shares of the Company, valued at S\$3,716,405 (Note 15(d)).

b. On 25 January 2018, the Group re-issued its 7,000,000 treasury shares (S\$2,072,504 at the Company's quoted price as of the date of transaction) to acquire an additional 2% equity interest in DMC (Note 24). The loss on the re-issuance of the treasury shares amounting to S\$1,643,901 is recognised in the capital reserve.**24. Other reserves**

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
(a) Composition:				
Fair value reserve	(10,088,712)	1,082,461	(424,071)	76,042
Currency translation reserve	(913,252)	113,915	-	-
Capital reserve	132,424	(1,917,162)	(1,638,846)	-
	(10,869,540)	(720,786)	(2,062,917)	76,042
(b) Movements:				
(i) Fair value reserve				
Beginning of financial year	1,082,461	3,802,165	76,042	-
Financial assets through other comprehensive income				
- Fair value (losses)/gains from financial assets at FVOCI/AFS (Note 17)	(11,171,173)	(2,719,704)	(500,113)	76,042
End of financial year	(10,088,712)	1,082,461	(424,071)	76,042
(ii) Currency translation reserve				
Beginning of financial year	113,915	(9,094)	-	-
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	(1,027,167)	123,009	-	-
End of financial year	(913,252)	113,915	-	-

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

24. Other reserves (continued)

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
(iii) Capital reserve				
Beginning of financial year	(1,917,162)	-	-	-
Disposal of 25.3% interest in 8VIC Global and its subsidiaries	5,849,643	-	-	-
Decrease in equity attributable to non-controlling interest	(3,800,057)	(1,917,162)	(1,638,846)	-
End of financial year	132,424	(1,917,162)	(1,638,846)	-

Disposal of 25.3% interest in 8VIC Global and its subsidiaries

On 28 November 2017, as part of the DMC's acquisition as described in Note 30 (i), the Group disposed 25.3% interests of 8VIC Global Pte. Limited and its subsidiaries with carrying value of S\$121,580. The excess of the fair value consideration from acquisition of DMC and the carrying amount of 25.3% non-controlling interests was adjusted in the capital reserve amounting to S\$5,849,643.

	2018
	S\$
Fair value consideration from acquisition of DMC (A)	5,971,223
Carrying amount of the 25.3% non-controlling interests of 8VIC Global Pte. Ltd. and its subsidiaries (B)	<u>(121,580)</u>
Excess of fair value consideration recognised in parent's equity (A)-(B)	<u>5,849,643</u>

Current year decrease in equity attributable to non-controlling interest

On 25 January 2018, the Group acquired 2% equity interest in DMC by re-issuing 7,000,000 treasury shares at a fair value of S\$2,072,504 which represents 8IH's quoted price as of the date of transaction (Note 23(b)) and cash S\$238,215.

The difference between the total consideration above of S\$2,310,719 and the carrying value of DMC's non-controlling interest of S\$149,505 amounting to S\$2,161,214 is recognised in the capital reserve.

In addition, the loss on the re-issuance of the treasury shares amounting to S\$1,643,901 (Note 23(b)) is recognised in the capital reserve.

Prior year decrease in equity attributable to non-controlling interest

The calculation of premium on acquisition of non-controlling interest as of the date of acquisition 49% non-controlling interest in FJI is as follow:

	Share capital of the Company (Note 23)	Non-controlling interest – FJI (49%)	Non-controlling interest – 8VIC (5%)	Capital reserve
	S\$	S\$	S\$	S\$
2017				
Acquisition of remaining 49% non-controlling interest in FJI	1,932,651	(125,516)	110,027	(1,917,162)

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

25. Dividends

	2018	<u>Group</u>	2017
	S\$		S\$
Declared and paid during the financial year			
<i>Ordinary dividends</i>			
Final exempt (one-tier) dividend for 2017: 0.25 (SGD cents) (2016: 0.50 cents) per share	904,947		1,796,578

26. Commitments

(a) Operating lease commitments - where the Group is a lessee

The Group leases office premises and event spaces from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	2018	<u>Group</u>	2017
	S\$		S\$
Not later than one year	1,593,000		1,445,000
Between one and five years	2,319,000		1,305,000
	3,912,000		2,750,000

(b) Operating lease commitments - where the Group is a lessor

The Group lease out event rental space to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	2018	<u>Group</u>	2017
	S\$		S\$
Not later than one year	-		298,726
Between one and five years	-		209,594
	-		508,320

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management*Financial risk factors*

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the group's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

(a) Market risk

(i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore, Malaysia and China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD"), United States Dollar ("USD"), Chinese Renminbi ("RMB"), Japanese Yen ("JPY"), New Taiwan Dollar ("NTD") and Indian Rupee ("INR").

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Malaysia and China are managed primarily through transactions denominated in the relevant foreign currencies.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	<u>SGD</u>	<u>MYR</u>	<u>AUD</u>	<u>USD</u>	<u>RMB</u>	<u>JPY</u>	<u>NTD</u>	<u>INR</u>
<u>At 31 March 2018</u>	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Financial assets								
Cash and cash equivalents,								
Financial assets, at FVPL and								
financial assets, at FVOCI	13,772,080	2,222,382	8,615,314	7,165,043	517,488	101,397	13,534,583	4,848,012
Trade and other receivables	9,992,367	442,162	-	730,184	23,034	174,668	495,844	25,393
	23,764,447	2,664,544	8,615,314	7,895,227	540,522	276,065	14,030,427	4,873,405
Financial liabilities								
Trade and other payables	(2,378,784)	(446,431)	(5,054)	(611,200)	(41,353)	-	(210,858)	-
Financial lease liabilities	-	(91,270)	-	-	-	-	-	-
Borrowings	(4,209,809)	-	-	-	-	-	-	-
Redeemable participating								
shares	-	-	-	(7,035,922)	-	-	-	-
	(6,588,593)	(537,701)	(5,054)	(7,647,122)	(41,353)	-	(210,858)	-
Net financial assets	17,175,854	2,126,843	8,610,260	248,105	499,169	276,065	13,819,569	4,873,405
Currency exposure of								
financial assets net of those								
denominated in the								
respective entities'								
functional currencies	139,153	(112,235)	8,610,260	(12,828)	33,321	276,065	13,117,435	4,873,405
At 31 March 2017								
Financial assets								
Cash and cash equivalents,								
investment securities and								
available-for-sale financial								
assets	10,192,655	959,822	29,146,278	1,057,427	141,192	9,457,488	-	-
Trade and other receivables	8,900,067	534,596	211,816	245,916	1,075	29,735	-	-
	19,092,722	1,494,418	29,358,094	1,303,343	142,267	9,487,223	-	-
Financial liabilities								
Trade and other payables	(2,283,086)	(394,042)	(18,518)	(75,043)	(11,851)	-	-	-
Financial lease liabilities	(17,485)	(124,735)	-	-	-	-	-	-
	(2,300,571)	(518,777)	(18,518)	(75,043)	(11,851)	-	-	-
Net financial assets	16,792,151	975,641	29,339,576	1,228,300	130,416	9,487,223	-	-
Currency exposure of								
financial assets net of								
those denominated in the								
respective entities'								
functional currencies	229,549	101,635	29,339,576	393,863	14,549	9,487,223	-	-

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	← 2018 →		← 2017 →	
	<u>SGD</u> S\$	<u>AUD</u> S\$	<u>SGD</u> S\$	<u>AUD</u> S\$
Financial Assets				
Cash and cash equivalents, financial assets, at FVPL and financial assets, at FVOCI	5,370,796	20,045	2,404,801	815,871
Trade and other receivables	17,753,710	-	27,797,479	-
	23,124,506	20,045	30,202,280	815,871
Financial Liabilities				
Trade and other payables	(4,489,093)	(5,054)	(4,037,626)	(18,518)
Borrowings	(4,209,809)	-	-	-
	(8,698,902)	(5,054)	(4,037,626)	(18,518)
Net financial assets	14,425,604	14,991	26,164,654	797,353
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	-	14,991	-	797,353

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the MYR, AUD, USD, RMB, JPY, NTD and INR change against the SGD by 7% (2017: 8%), 6% (2017: 3%), 6% (2017: 3%), 3% (2017: 3%), 1% (2017: 4%), 2% (2017: nil) and 7% (2017: nil) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset that are exposed to currency risk will be as follows:

	← Increase/(Decrease) →			
	2018			2017
<u>Group</u>	<u>Profit after tax</u> S\$	<u>Other comprehensive income</u> S\$	<u>Profit after tax</u> S\$	<u>Other comprehensive income</u> S\$
MYR against SGD				
- Strengthened	(6,521)	-	5,827	922
- Weakened	6,521	-	(5,827)	(922)
AUD against SGD				
- Strengthened	347,480	81,311	406,636	323,919
- Weakened	(347,480)	(81,311)	(406,636)	(323,919)
USD against SGD				
- Strengthened	(639)	-	9,807	-
- Weakened	639	-	(9,807)	-
RMB against SGD				
- Strengthened	830	-	362	-
- Weakened	(830)	-	(362)	-
JPY against SGD				
- Strengthened	2,291	-	314,976	-
- Weakened	(2,291)	-	(314,976)	-
NTD against SGD				
- Strengthened	217,749	-	-	-
- Weakened	(217,749)	-	-	-
INR against SGD				
- Strengthened	283,145	-	-	-
- Weakened	(283,145)	-	-	-
<u>Company</u>				
AUD against SGD				
- Strengthened	747	-	9,190	10,664
- Weakened	(747)	-	(9,190)	(10,664)

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. These securities are listed in Australia, Japan, India, Taiwan, New Zealand, Malaysia and Singapore. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for equity securities listed in Australia, Japan, India, Taiwan, New Zealand, Malaysia and Singapore had changed by 18% (2017: 17%), 18% (2017: 17%), 18% (2017: 17%), 18% (2017: 17%), 18% (2017: 17%), 18% (2017: 17%) and 18% (2017: 17%) respectively with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	← Increase/(Decrease) →			
	2018		2017	
	Profit after tax S\$	Other comprehensive income S\$	Profit after tax S\$	Other comprehensive income S\$
<u>Group</u>				
Listed in Australia				
- increased by	1,016,161	238,348	2,192,346	1,835,542
- decreased by	(1,010,161)	(238,348)	(2,192,346)	(1,835,542)
Listed in Japan				
- increased by	14,802	-	1,360,931	-
- decreased by	(14,802)	-	(1,360,931)	-
Listed in India				
- increased by	707,707	-	100,316	-
- decreased by	(707,707)	-	(100,316)	-
Listed in Taiwan				
- increased by	1,914,867	-	30,934	-
- decreased by	(1,914,867)	-	(30,934)	-
Listed in the New Zealand				
- increased by	-	-	11,574	-
- decreased by	-	-	(11,574)	-
Listed in the Malaysia				
- increased by	26,221	-	22,792	-
- decreased by	(26,221)	-	(22,792)	-

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

	← Increase/(Decrease) →			
	2018		2017	
	<u>Profit</u> <u>after tax</u> S\$	<u>Other</u> <u>comprehensive</u> <u>income</u> S\$	<u>Profit</u> <u>after tax</u> S\$	<u>Other</u> <u>comprehensive</u> <u>income</u> S\$
<u>Group</u>				
Listed in the Singapore				
- increased by	71,368	-	-	-
- decreased by	(71,368)	-	-	-
<u>Company</u>				
Listed in Australia				
- increased by	-	-	-	60,428
- decreased by	-	-	-	(60,428)
Listed in the Singapore				
- increased by	6,507	-	-	-
- decreased by	(6,507)	-	-	-

(b) Credit risk

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Board of Directors based on ongoing credit evaluations. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Executive Management.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than a year past due based on historical collection trend. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group applies the simplified approach to providing for expected credit losses prescribed by FRS 109, which permits the use of the lifetime credit loss provision for all trade receivables.

To measure the expected credit losses, trade receivables, have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data.

The Group and Company uses four categories of internal credit risk rating for its financial assets at a mortised costs. These four categories reflect the respective credit risk and how the loan loss provision is determined for each of those categories.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***27. Financial risk management (continued)**

(b) Credit risk (continued)

A summary of assumptions underpinning the Group's expected credit loss model is as follow:

Group and Company's category of internal credit rating	Group and Company's definition of category	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses
Underperforming	Loans for which there is a significant increase in credit risk. As significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses
Non-performing	Interest and/or principal repayments are 60-365 days past due.	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 365 days past due and there is no reasonable expectation of recovery.	Asset is written off

Movements in credit loss allowance for financial assets are set out as follows:

<u>Group</u>	Trade receivables	Other financial assets at amortised costs	Total
Balance at 1 April 2017	-	-	-
Application of FRS 109	-	-	-
Balance at 1 April 2017 under FRS 109	-	-	-
Changes in credit loss recognised in profit or loss:			
- New financial assets acquired	163,421	-	163,421
- Increase due to credit risk	-	6,264	6,264
Balance at 31 March 2018	163,421	6,264	169,685

<u>Company</u>	Other financial assets at amortised costs
Balance at 1 April 2017	-
Application of FRS 109	-
Balance at 1 April 2017 under FRS 109	-
Changes in credit loss recognised in profit or loss:	
- Increase due to credit risk	6,264
Balance at 31 March 2018	6,264

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2018

27. Financial risk management (continued)

(b) Credit risk (continued)

The Group's credit risk exposure in relation to trade receivables, under FRS 109 as at 31 March 2018 are set out in the provision matrix as follows:

	Current	← Past due →				Total
		Within 30 days	30 to 60 days	61-90 days	More than 90 days	
2018						
Expected loss rate	0%	0%	0.35%	37%	56%	
Gross carrying amount	1,005,191	1,008,031	230,051	238,005	130,899	2,612,177
Credit loss allowance	-	-	(813)	(88,741)	(73,867)	(163,421)

The Group's credit risk exposure in relation to trade receivables under FRS 109 as at 31 March 2018 are set out as follows:

	Current	← Past due →				Total
		Within 30 days	30 to 60 days	61-90 days	More than 90 days	
2018						
Gross carrying amount						
-Not past due	1,005,191	-	-	-	-	1,005,191
-Past due but not impaired	-	1,008,031	213,790	672	351	1,222,844
-Past due and impaired	-	-	16,261	237,333	130,548	384,142
Less allowance for impairment	-	-	(813)	(88,741)	(73,867)	(163,421)
Net carrying amount	1,005,191	1,008,031	229,238	149,264	57,032	2,448,756
2017						
Gross carrying amount						
-Not past due	496,142	-	-	-	-	496,142
-Past due but not impaired	-	146,556	117,274	89,272	153,987	507,089
Less allowance for impairment	-	-	-	-	-	-
Net carrying amount	496,142	146,556	117,274	89,272	153,987	1,003,231

Trade receivables

In 2017, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 90 days overdue).

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Company.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***27. Financial risk management (continued)****(c) Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short term deposits as disclosed in Note 10.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than <u>1 year</u> S\$	Between 1 and <u>5 years</u> S\$
<u>Group</u>		
At 31 March 2018		
Trade and other payables	3,693,680	-
Finance lease liabilities	37,286	60,144
Borrowings	4,209,809	-
Redeemable participating shares	7,035,922	-
	<hr/>	<hr/>
At 31 March 2017		
Trade and other payables	2,782,540	-
Finance lease liabilities	56,471	100,282
	<hr/>	<hr/>
<u>Company</u>		
At 31 March 2018		
Trade and other payables	4,494,147	-
Borrowings	4,209,809	-
	<hr/>	<hr/>
At 31 March 2017		
Trade and other payables	4,126,264	-
	<hr/>	<hr/>

(d) Capital risk

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***27. Financial risk management (continued)**

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Total</u> S\$
<u>Group</u>				
2018				
<i>Assets</i>				
Financial assets, at FVPL	25,696,375	-	-	25,696,375
Financial assets, at FVOCI	1,637,998	113,879	-	1,751,877
Total assets	27,334,373	113,879	-	27,448,252
2017				
<i>Assets</i>				
Financial assets, at FVPL	26,356,434	-	-	26,356,434
Financial assets, at FVOCI	13,011,309	-	-	13,011,309
Total assets	39,367,743	-	-	39,367,743
<u>Company</u>				
2018				
<i>Assets</i>				
Financial assets, at FVPL	37,000	-	-	37,000
2017				
<i>Assets</i>				
Financial assets, at FVOCI	428,267	-	-	428,267

There were no transfers between levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets (such as fair value through profit and loss and financial assets through other comprehensive income) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***27. Financial risk management (continued)**

(f) Financial instruments by category

	<u>Group</u>		<u>Company</u>	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Financial assets, at FVPL	25,696,375	26,356,434	37,000	-
Financial assets, at FVOCI	1,751,877	13,025,188	-	428,267
Financial assets at amortised cost	35,044,031	22,485,581	23,300,713	30,606,909
Financial liabilities at amortised cost	(15,030,681)	(2,924,760)	(8,703,956)	(4,126,264)

28. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) *Sales and purchases of services*

	<u>Group</u>	
	2018 S\$	2017 S\$
Professional fees paid to an affiliated company	-	-
Consultation (expense)/income with associated company	-	(61,698)
Interest income from associated company	-	11,836
Sale of course materials to an affiliated company	-	-

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 March 2018, arising from sale/purchase of services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 11 and 18 respectively.

(b) *Directors and key management personnel compensation*

Directors and key management personnel compensation is as follows:

	<u>Group</u>	
	2018 S\$	2017 S\$
Wages, salaries and fees	1,943,913	1,552,270
Employer's contribution to defined contribution plans, including Central Provident Fund	137,842	100,342
	2,081,755	1,652,612

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***29. Segment information**

The Group is organised into geographic business units based on management reporting structure and organisational set-up, in line with the main business divisions driving the growth of the Group. Geographically, management manages and monitors the business in two primary geographic areas namely Singapore and Malaysia, where the Company and certain subsidiaries operate. Based on the management reporting structure, management reviews the business segments' performance and to make strategic decisions.

The segments under the reporting model are as follows:

- **Education:** involved in financial education and training providers in Asia, via its flagship course "Value Investing Bootcamp", which focus on educating its students on the principles and techniques of value investing.
- **Investment in Public Markets:** involved in investment in listed equities in the Asia-Pacific through a focused strategy of investing in undervalued companies with unique, scalable and resilient business models run by aligned owner-operators to provide the foundation for sustainable long-term growth and to achieve long-term investment returns.
- **Investment in Private Markets:** involved in strategic investment in private businesses which have strong and sustainable business models, with long-term growth potential.
- **Media:** involved in specialists and training academy that assists brands and individuals with the opportunity to achieve business and financial success.
- **Creatives:** involved in branding and marketing arm of Digimatic and specialises in content creation as well as full end-to-end branding and marketing solutions for clients.
- **E-commerce:** involved in marketing and selling products globally via ecommerce platform, utilising data analytics and customers' feedback to sell products effectively with ROI focused.
- **All other segments:** includes subsidiaries that just commenced operations in China, Taiwan, Thailand and Australia, providing financial education and training.

Management monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

29. Segment information (continued)

The segment information provided to the key management for the reportable segments are as follows:

	Singapore			Malaysia			All other segments	TOTAL			
	Investment in Public Markets	Investment in Private Markets	Education	E-commerce	Education	Private Markets			Media		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$			
Revenue and investment income											
Total segment revenue and investment income	9,280,924	(427,843)	2,363,758	3,392,965	579,368	923,578	2,279,421	2,203,811	1,514,251	1,103,018	23,748,582
Inter-segment revenue and investment income	(460,071)	(120,000)	(420,000)	(63,567)	(61,775)	-	(13,700)	-	-	(1,103,018)	(2,242,131)
Revenue and investment income to external parties	8,820,853	(547,843)	1,943,758	3,329,398	517,593	923,578	2,265,721	2,203,811	1,514,251	-	21,506,451
Loss after tax	159,424	(1,312,732)	282,801	139,677	135,736	(24,985)	(15,865)	(120,789)	(527,477)	(3,315,166)	(4,438,588)
Depreciation	(222,631)	-	(21,921)	(75,989)	(18,015)	-	(203,396)	(35,066)	(26,900)	(17,192)	(622,164)
Share of loss of associated companies	-	-	-	-	-	-	-	(78,789)	-	-	(78,789)
Gain from sale of a subsidiary's shares	-	-	971,860	-	-	-	-	-	-	-	971,860
Segment assets	7,326,200	33,477,357	1,984,142	3,781,695	957,443	1,198,421	1,446,900	737,054	2,032,087	14,392,343	68,366,423
Segment assets includes additions to:											
- plant and equipment	368,360	-	26,750	11,505	1,634	19,188	108,888	18,171	17,105	22,481	613,282
- intangible assets	-	-	-	-	-	-	-	9,237	121,577	-	130,814
Segment liabilities	(1,861,574)	(7,166,342)	(48,218)	(2,462,584)	(165,866)	(36,620)	(1,258,586)	(117,018)	(1,612,409)	(5,216,267)	(20,367,729)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

29. Segment information (continued)

	Singapore		Malaysia		All other segments	TOTAL
	Investment in Public Markets	Investment in Private Markets	Education	Investment in Private Markets		
2017	S\$	S\$	S\$	S\$	S\$	S\$
Revenue and investment income						
Total segment revenue and investment income	10,077,997	2,998,092	1,601,687	1,258,035	120,768	53,307,882
Inter-segment revenue and investment income	(958,421)	-	-	-	-	(24,401,813)
Revenue and investment income to external parties	9,119,576	2,998,092	1,601,687	1,258,035	120,768	28,906,069
Profit after tax	3,298,339	1,869,512	293,709	155,122	(337,115)	11,493,357
Depreciation	(167,204)	-	(58,084)	(17,393)	(2,458)	(335,458)
Share of profit of associated companies	-	-	-	-	-	556,675
Gain from sale of a subsidiary's shares	-	-	-	-	-	10,370,350
Gain from sale of an associated company's shares	-	-	-	-	-	1,199,836
Gain on initial recognition at its fair value from former associated company to financial assets through other comprehensive income	-	-	-	-	-	1,160,825
Segment assets	6,761,818	28,729,267	1,181,276	736,229	536,200	68,569,856
Segment assets includes: Investment in associated companies	-	-	-	-	-	1,425,911
Additions to: - plant and equipment	401,643	-	30,853	36,499	11,459	545,038
- intangible assets	1,554,542	-	-	3,505	-	1,558,047
Segment liabilities	(3,284,617)	(178,415)	(827,043)	(312,501)	(167,495)	(6,874,530)

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***29. Segment information (continued)**

The management assesses the performance of the operating segments based on profit after tax.

(a) Revenue from major products and services

Revenues from external customers are derived mainly from financial education and training providers, investment income from public and private markets, media, creatives and e-commerce. Breakdown of the revenue and investment income is as follows:

	2018	2017
	S\$	S\$
<u>Revenue and investment income</u>		
Education	11,086,574	10,721,263
Investment in Public Markets	(547,843)	2,998,092
Investment in Private Markets	4,147,569	15,065,946
Media	3,864,729	-
Creatives	517,593	-
E-commerce	923,578	-
Others	1,514,251	120,768
	<u>21,506,451</u>	<u>28,906,069</u>

(b) Geographical information

The Group's business segments operate in two main geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore. The operations in this area are principally the financial education and training providers, and investment in public and private markets;
- Malaysia - the operations in this area are principally the financial education and training providers, and private markets investee;

	2018	2017
	S\$	S\$
Revenue and investment income		
Singapore	14,987,337	25,925,579
Malaysia	5,004,863	2,859,722
Others	1,514,251	120,768
	<u>21,506,451</u>	<u>28,906,069</u>
Non-current assets		
Singapore	5,409,412	18,577,616
Malaysia	561,536	382,262
Others	1,041,672	9,608
	<u>7,012,620</u>	<u>18,969,486</u>

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***30. Business combinations**Current year acquisition

- (i) Acquisition of Digimatic Group Limited.

At the beginning of the financial year, the Group held 10.8% interest in Digimatic Group Limited ("Digimatic" or "DMC") which was recognised as financial assets, at FVOCI. Prior to the adoption of FRS 109, it was classified as available for sale financial assets (Note 17). On 28 November 2017, the Group acquired an additional 58.9% equity interests in DMC. The acquisition was satisfied through the partial disposal of 25.3% of the Group's effective equity interest in 8VIC Global Pte. Limited and its subsidiaries ("8VIC") to DMC as per Note 24(b)(iii). Following this transaction, DMC became a 69.7% owned subsidiary of the Group.

The Group applied significant judgement to determine that the fair value consideration was assessed based on the independent valuation of 8VIC's capitalisation of future maintainable earnings ("FME") as the primary methodology instead of the quoted price of new shares issued by Digimatic to the Company as the trading volume of DMC's shares were low and infrequent with a downward trend in quoted prices.

The independent valuer performed a valuation of 8VIC to form an opinion that the transaction is fair to the non-associated shareholders of DMC.

Estimates and judgements in determining the fair value considerations include 8VIC's growth rate and its multiplier, adjusted by control premium/business risks and management's selection of mid-point between possible high and low scenarios.

Description	Fair value considerations	Unobservable inputs	Range of input	Relationship of unobservable inputs to fair value
Fair value consideration of DMC acquisition	The shareswap representing the fair value consideration in 8VIC group's 25.3% interest, was valued at S\$5.9 million (S\$23.6 million at 100% interest).	Assessed 8VIC EBITDA multiple and discounts (*)	6 to 9.5	The higher the multiple, the higher fair value consideration

**Assessed 8VIC EBITDA multiple was determined based on the comparable companies trading multiple adjusted by business specific discounts and control premium.*

The independent valuation resulted in a valuation ranging between S\$4.2 million to S\$7.5 million for the 25.3% equity interest in 8VIC. The Company assessed the value to be the mid-point of the range being S\$5,971,000.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***30. Business combinations (continued)**Current year acquisition (continued)

(i) Acquisition of Digimatic Group Limited. (continued)

Details of the consideration, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Provisional fair value of identifiable assets acquired and liabilities assumed:

	28 November 2017 S\$
Cash and cash equivalents	10,459,440
Plant and equipment	447,215
Trade and other receivables	1,470,452
Inventory	341,646
Other investment	100,000
Total assets	<u>12,818,753</u>
Trade and other payables	(1,724,016)
Current tax liabilities	(75,939)
Unearned revenue	(983,541)
Deferred tax liabilities	(91,880)
Total liabilities	<u>(2,875,376)</u>
Total identifiable net assets	9,943,377
Less: Non-controlling interest based on proportionate method	(3,256,010)
Less: Existing equity interests held in DMC as FVOCI (Note 30(i)(e))	(291,102)
Less: Gain on bargain purchase (Note 5)	(425,042)
Consideration transferred for the business	<u>5,971,223</u>

(b) Effect on cash flows of the Group

Cash paid (as above)	-
Less: cash and cash equivalents in subsidiary acquired	10,459,440
Net cash inflow on acquisition	<u>10,459,440</u>

(c) Acquired receivables

The fair value of trade and other receivables is S\$1,470,452 and include trade receivables with a fair value of S\$1,099,249. The gross contractual amount of trade receivables is S\$1,099,249, of which S\$1,099,249 is expected to be collectible.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***30. Business combinations (continued)**Current year acquisition (continued)

(i) Acquisition of Digimatic Group Limited. (continued)

(d) Provisional fair value

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of DMC. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised.

(e) Existing equity interests held in DMC as FVOCI

At the transaction date, the Group held 10.8% equity interests in DMC as FVOCI, valued at S\$2.7 million (based on the DMC's quoted price). From the overall 10.8% interest, 0.2% interest was held at the Company level and the remaining 10.6% was held by 8 Business Pte. Ltd. (the Company's wholly owned subsidiary).

Following the acquisition of DMC, the FVOCI was re-measured based on the fair value per share arising from the fair value consideration of DMC's acquisition (Note 30(i)(a)). As a result, a loss arising from the re-measurement of FVOCI of S\$2.4 million was recorded in the other comprehensive income. The fair value of FVOCI after re-measurement was S\$291,102.

(f) Gain on bargain purchase

The gain on bargain purchase of S\$425,042 arising from the acquisition is attributable to the difference between fair value of the acquired net identifiable assets/liabilities and the purchase consideration. DMC was willing to accept the purchase consideration as the transaction allowed DMC to acquire a profitable business with operating cash flows.

(g) Non-controlling interests

The Group has chosen to recognise the 30.3% non-controlling interest based on its proportionate share of the DMC's identifiable net assets.

(h) Revenue and profit contribution

The acquired business contributed revenue of S\$5,315,338 and net profit of S\$46,303 to the Group from the period from 28 November 2017 to 31 March 2018.

Had DMC been consolidated from 1 April 2017, consolidated revenue and consolidated loss for the year ended 31 March 2018 would have been S\$14,756,310 and S\$3,335,545 respectively.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***30. Business combinations (continued)**Prior year acquisition

- (ii) Acquisition of Financial Joy Institute Pte. Ltd.

On 29 June 2016, the Group acquired 51% equity interest in Financial Joy Institute Pte. Ltd. ("FJI") by way of share swap for a purchase consideration of S\$2.04 million and FJI became a subsidiary of the Group.

Management engaged an external valuation specialist to perform the purchase price allocation for this acquisition including the identification of intangible assets in line with FRS 103 Business combinations. Based on the purchase price allocation exercise, only goodwill have been identified as an intangible asset being the difference between the purchase consideration and the fair value of the identifiable assets acquired and liabilities assumed.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	As of the date of acquisition 29 June 2016 S\$
(a) Share swap, representing the total consideration transferred (Note 23)	2,040,000
Less: Remuneration element (Note 11(c))	<u>(500,000)</u>
Total consideration through equity swap	<u>1,540,000</u>
(b) Effect on cash flows of the Group	
Cash paid (as above)	-
Less: Cash and cash equivalents in subsidiary acquired	<u>414,733</u>
Net cash inflow on acquisition	<u>414,733</u>
(c) Fair value of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	414,733
Plant and equipment	19,434
Trade and other receivables	<u>6,399</u>
Total assets	<u>440,566</u>
Trade and other payables	(11,840)
Current tax liabilities	(790)
Unearned revenue	<u>(456,450)</u>
Total liabilities	<u>(469,080)</u>
Total identifiable net liabilities	(28,514)
Less: Non-controlling interest based on proportionate method	13,972
Add: Goodwill (Notes 14 and 30(ii)(d))	<u>1,554,542</u>
Consideration transferred for the business	<u>1,540,000</u>

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***30. Business combinations (continued)**Prior year acquisition (continued)

(ii) Acquisition of Financial Joy Institute Pte. Ltd. (continued)

(d) Goodwill

The goodwill of S\$1,554,542 arising from the acquisition is attributable to potential growth to regional markets with additional trainers and course offerings as well as additional events and programs. It has been allocated to Education segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

(e) Revenue and profit contribution

The acquired business contributed revenue of S\$3,331,010 and net profit of S\$784,669 to the Group from the period from 29 June 2016 to 31 March 2017.

Had FJI been consolidated from 1 March 2016, consolidated revenue and consolidated profit for the year ended 31 March 2017 would have been S\$4,052,951 and S\$1,107,428 respectively.

(f) On 31 March 2017, the Group acquired the remaining 49% equity interest in FJI (9 months period since the first transaction) by way of share swap (Note 24).

Based on the assessment performed by management, we have concluded that these are two separate transactions as they are negotiated and entered into at two different point of time and the arrangement is not dependent on each other (different commercial objectives).

31. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2018 and which the Group has not early adopted:

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

FRS 115 replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

8I HOLDINGS LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2018***31. New or revised accounting standards and interpretations (continued)**

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018) (continued)

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management has identified the following areas that are likely to be affected:

- (i) Accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under FRS 115.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next six months.

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019) (continued)

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

- Adoption of SFRS(I)s

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

31. New or revised accounting standards and interpretations (continued)

The Group has voluntarily adopted SFRS(I)s on 1 April 2018 and will be issuing its first set of financial information prepared under SFRS(I)s for the half year period ended 30 September 2018 in November 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply new major SFRS(I) 15 *Revenue from Contracts with Customers*. The estimated impact arising from the adoption of SFRS(I)s on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) 1

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group plans to elect relevant optional exemptions and the exemptions resulting in significant adjustments to the Group's financial statements prepared under SFRS(I)s are as follows:

(i) *Cumulative translation differences*

The Group plans to elect to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I)s on 1 April 2018. As a result, other reserves and retained profits as at 1 April 2018 and 31 March 2018 will be increased/reduced by S\$913,252 respectively.

32. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of 8I Holdings Limited on 29 June 2018.

Additional Information

Shareholders Information
as at 29 June 2018

8I Holdings Limited – Ordinary Shares

The Company has ordinary shares on issue. These are listed on the Australian Securities Exchange under ASX code: 8IH. Details of trading activity are published daily by electronic information vendors. All ordinary shares carry one vote per share without restriction.

Analysis of Shareholders and CDI Holders*

Category (Size of Holding)	Number of Holders	Number of Shares	% of Issued Capital
1 - 1,000	14	9,842	0.00%
1,001 - 5,000	80	308,759	0.09%
5,001 - 10,000	60	566,819	0.16%
10,001 - 100,000	492	22,519,283	6.22%
100,001 - and over	293	338,573,882	93.53%
	939	361,978,585	100.00%

The number of investors holding less than a marketable parcel of 4,167 8IH shares (based on a share price of A\$0.12) was 50. They hold 100,292 8IH shares in total.

Twenty Largest Shareholders and CDI Holders*

Registered Holder	Number of Shares	% of Issued Capital
1. Chee Kuan Tat, Ken	86,458,500	23.88%
2. Clive Tan Che Koon	65,140,000	18.00%
3. HSBC Custody Nominees (Australia) Limited	22,927,782	6.33%
4. J P Morgan Nominees Australia Limited	22,588,848	6.24%
5. Citicorp Nominees Pty Limited	18,830,204	5.20%
6. BNP Paribas Noms Pty Ltd	8,978,084	2.48%
7. Pauline Teo Puay Lin	8,859,103	2.45%
8. Philip John Raff	7,870,652	2.17%
9. Clarence Wee Kim Leng	2,063,400	0.57%
10. Glorymont Ltd	2,060,000	0.57%
11. Lim Wei Lin	2,000,000	0.55%
12. Ho Tuck Chee	1,866,320	0.52%
13. Hor Chook Lam	1,546,000	0.43%
14. Alex Chia Che Keng	1,398,140	0.39%
15. Hue Kuan Yew	1,213,914	0.34%
16. Fance Chua Meon Keng	1,118,000	0.31%
17. Loo Tian Guan	1,107,203	0.31%
18. Vivek Verma	1,100,000	0.30%
19. Yap Pei Koon	1,020,872	0.28%
20. Edwin Kang Tien Hock	934,000	0.26%
All Other Shareholders	102,897,563	28.42%
Total	361,978,585	100.00%

Notes

* CDI Holders are holder of CHESS Depository Interests issued by CHESS Depository Nominees Pty Limited, where each CDI represents a beneficial interest in one ordinary share.

Additional Information (continued)Shareholders Information
as at 29 June 2018**Substantial Shareholders and CDI Holders****

Date Announced	Name	Direct Interest Shares	% of Voting Power	Deemed Interest Shares	% of Voting Power
1/2/2018	Chee Kuan Tat, Ken	86,458,500	23.88%	-	-
1/2/2018	Clive Tan Che Koon	65,140,000	18.00%	-	-

Notes

** This table is compiled on the basis that each holding of CDIs is a separate holding and accordingly, the holding of shares by CHESS Depository Nominees Pty Limited is ignored.

Current On-Market Buy-Back (ASX Listing Rule 4.10.18)

There is no current on-market buy-back arrangement for the Company.

Investment (ASX Listing Rule 4.10.20)

The Group had a total of 433 transactions in securities during the financial year ended 31 March 2018 and has paid or accrued brokerage and management fees totalling S\$29,494 and S\$225,310 respectively. As at 31 March 2018, the Group held investment in DIP Corporation, Emmbi Industries Limited, HRnetGroup Limited, Nick Scali Limited, Nyquest Technology Co Ltd, PPAP Automotive Limited, Riverstone Holdings Limited, SeaLink Travel Group Limited, Start Today Co. Ltd and Velocity Property Group Ltd.

Corporate Governance Statement

The directors of 8I Holdings Limited support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the appendix 4G released to ASX and posted on the Company website at www.8iholdings.com.

The directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 3rd Edition" established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of guidelines and where do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.



8I Holdings Limited

(Incorporated in the Republic of Singapore)
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