



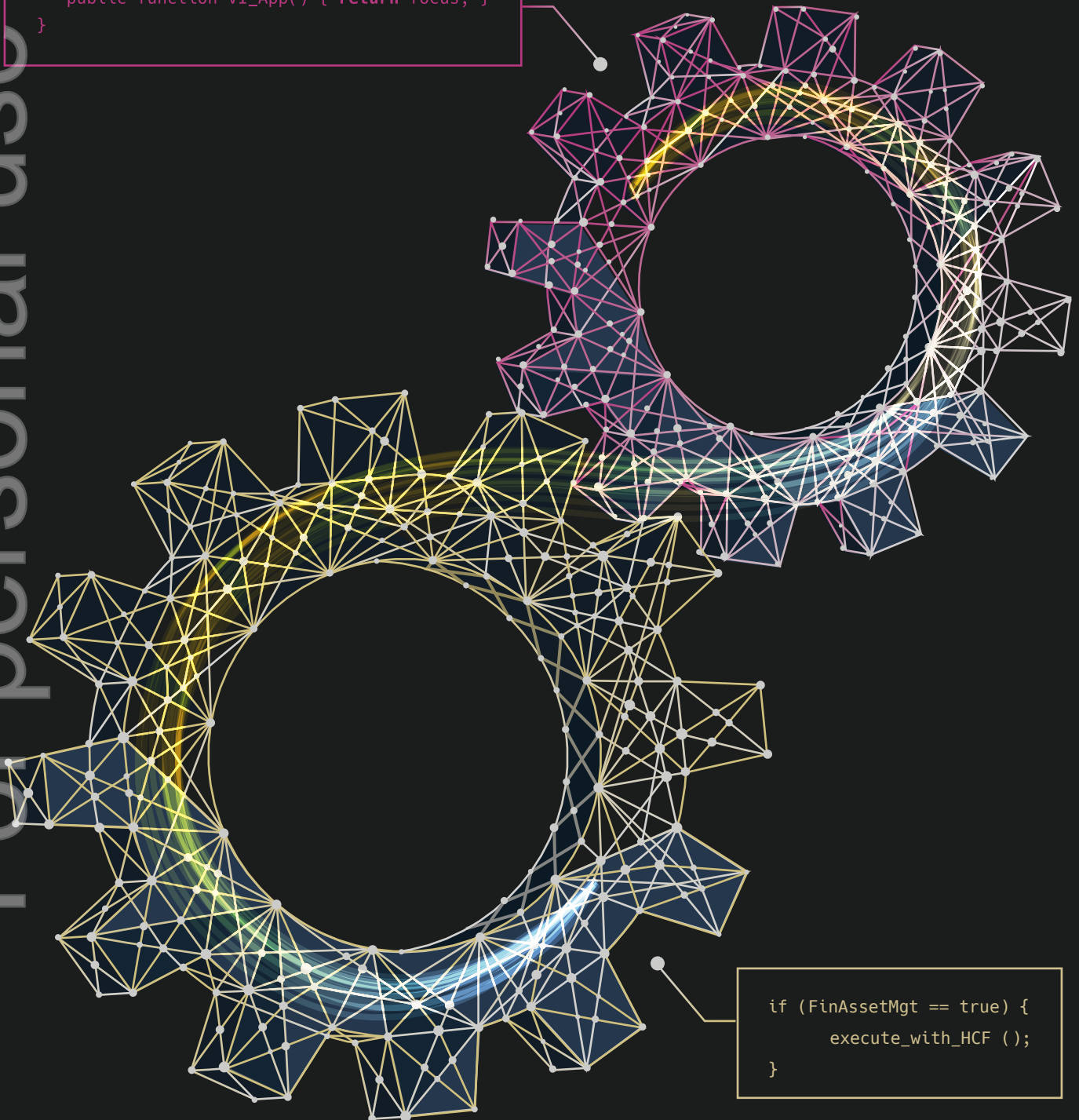
8I Holdings Limited  
FY2020 Annual Report

# POWERING AHEAD ON DUAL TRACKS

```
class WebDeveloper extends FinEduTech {  
  let focus = 'Value Investing';  
  public function VI_App() { return focus; }  
}
```

```
if (FinAssetMgt == true) {  
  execute_with_HCF ();  
}
```

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## OUR MISSION

We Empower People to Create  
Sustainable Wealth

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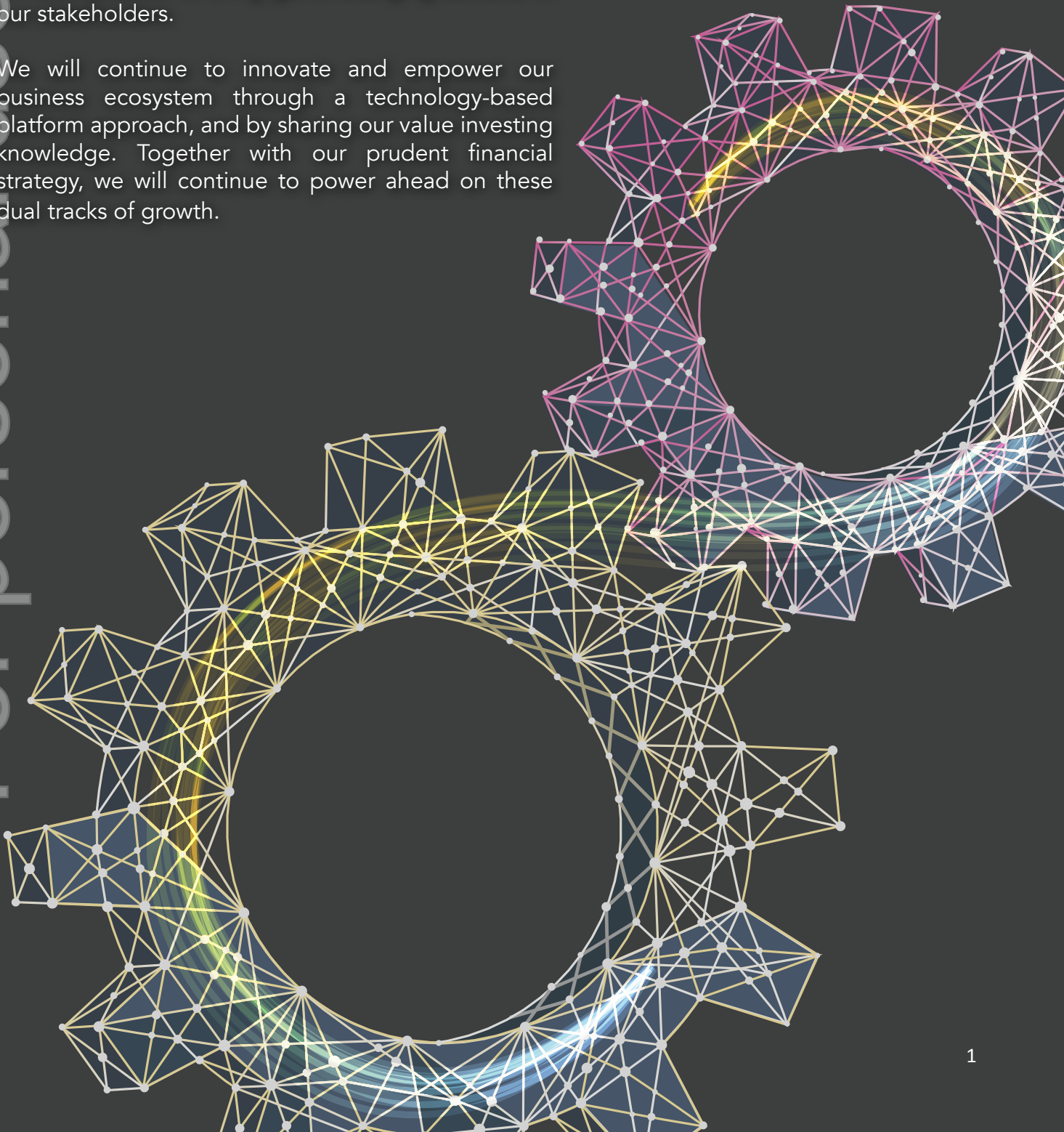
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## PRELUDE

In the last few years, we have been focused on transforming our business and have spared no effort in building the right platform that converges technology and our communities with value investing.

Backed by our core engines – FinEduTech and Financial Asset Management – we believe we are in an ideal position to bring game-changing benefits to our stakeholders.

We will continue to innovate and empower our business ecosystem through a technology-based platform approach, and by sharing our value investing knowledge. Together with our prudent financial strategy, we will continue to power ahead on these dual tracks of growth.





# ABOUT 8I HOLDINGS LIMITED



8I Holdings Limited ("the Group") is an Australian-listed investment holding company engaged in the businesses of Financial Education Technology ("FinEduTech") and Financial Asset Management.

Through 8VIC Holdings Limited ("[8VI](#)") the Group operates under the VI brand within the FinTech and Financial Education space. With offices in Singapore, Malaysia, Taiwan and Shanghai, VI is the region's leading FinEduTech provider supporting a community of value investors from 29 cities globally. The VI App is a smart stock analysis and screening tool infused with a social networking element to enable users to invest smarter, faster and easier. Through Hidden Champions Capital Management Pte Ltd ("[HCCM](#)"), the Group operates a registered fund management business in Singapore, investing in public listed equities in the Asia-Pacific through a focused strategy of investing in value-adding, nimble and scalable growing Hidden Champions that are typically at the forefront of their markets to achieve long-term investment returns.



## 8I ECOSYSTEM

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### FINANCIAL ASSET MANAGEMENT

Powered by research-driven fundamental stock selection process and methodology, the fund management arm of the Group invests in public listed equities in Asia-Pacific which are value-adding, nimble and growing "Hidden Champions" that are typically at the forefront of their markets.

### FINANCIAL EDUCATION TECHNOLOGY

FinEduTech arm of the Group operating under the brand name VI. VI makes investments smarter, faster and easier with results-oriented and process-driven analysis powered by technology, and promotes investor education and knowledge exchange on a single platform.

At 8I, we continue to strengthen our business ecosystem on a single platform – leveraging the power of AI, big data and machine learning that sharpens our competitive edge, sharing value investing knowledge and empowering our growing community to make smart investment decisions by applying the principles of value investing.

# CHAIRMAN'S MESSAGE

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**Dear Valued Partners,**

**FY2020 marked an exciting year for the Group as we continued our challenging, yet rewarding, journey towards recovery.**

Throughout the year, we have made significant progress in our transformation roadmap in order to maximise the value of our strategic investments while divesting from our non-core businesses. Our core business segments, FinEduTech and Financial Asset Management, have generated encouraging results for the year, signifying the progress that the Group has made towards recovery.

In our FinEduTech segment, the evolution of 8VI's business is a strong testament to our efforts in the past year to transform our business model and we are proud to say that we are starting to see the fruits of our labour. 8VI has regained both its operational and financial footing and is well underway towards a healthy baseline. Despite recording lower revenue compared to the previous financial year, 8VI has turned profitable in FY2020 through the tireless efforts of the entire team.

This year, 8VI announced the launch of its new VI brand, which marks its strategic shift towards FinEduTech. The VI brand incorporates the Group's original financial technology and financial education businesses – WealthPark and Value Investing College – and reflects our strategy to focus on digitalisation, technological development and an ecosystem of recurring community members as the key driver of our business and growth. We thank you for your continued patience as we work to further scale the business through acquisition, retention and technology development that will bring a stable, recurring revenue stream. The arduous journey of recovery has not been easy and the improvements 8VI has achieved for FY2020 would not be possible if not for the grit and resilience shown by our team members and management. Despite the challenging business landscape we are facing, we envision greater success in years to come for 8VI.

Our Financial Asset Management segment had been impacted by various macro-economic factors which resulted in market volatility, including the turbulent markets in Hong Kong, the escalating trade war between China and US, as well as the global spread of COVID-19. However, despite the market headwinds that the Group faced, the listed securities under Hidden

# CHAIRMAN'S MESSAGE (Cont'd)

Champions Fund ("HCF") registered an unrealised fair value loss on investment securities of S\$3.3 million as compared to S\$8.9 million loss recorded in FY2019, mainly as a result of the restructuring that HCF went through to improve on its operative and business efficiencies. Furthermore, the fund performance rebounded in April 2020 (after FY2020) following the market's performance which resulted in an overall increase in share prices of several companies.

In light of the abovementioned, the Group recorded a revenue of S\$11.9 million (FY2019: S\$25.3 million) and narrowed our total comprehensive loss attributable to owners of the Company by 65.9% to S\$3.6 million from S\$10.7 million a year ago.

In line with our business strategy refinement to focus on our key synergistic business segments to maximise shareholder value, we have also made the difficult decision to wind down certain subsidiaries that could be better served by using technology rather than a physical presence, while staying vested in synergistic ones, allowing us to further reduce our costs and increase productivity.

## Operating in a challenging new environment

During the year, the Group also experienced an unprecedented challenge with the outbreak of the COVID-19 novel coronavirus, which resulted in massive business disruptions globally and challenges to the Group's business and how we have worked over the years.

However, with every crisis comes opportunity, and I am pleased to say that we have adapted well in this challenging time. With our transformation roadmap in mind, the COVID-19 outbreak accelerated the adaptation of digitalisation in our product offerings and day-to-day operations. As such, we have converted majority of our offerings to a digital online platform, while progressively making changes to incorporate automation in our operational processes and application of data analytics to achieve the best business results. We have also moved to digitalise our daily operations and eliminate the printing of name cards and annual reports.

## Playing our part for communities

As part of our initiative in giving back to the society, the Group utilised 10% of the revenue we received from our VI REITs online program in May 2020 for the purchase and donation of close to 10,000 daily

essential items from local businesses to the Migrant Workers' Centre in Singapore.

On top of that, the Group also made a donation to Harith Iskander's newly initiated charity, The Hope Branch, where the funds raised will be used to assist those affected by the COVID-19 pandemic in Malaysia. In Taiwan, we also seeded messages of support for frontline medical staff during the pandemic.

## Looking ahead to 2021 and beyond

The Group has created a truly unique ecosystem with our dual engines of growth propelling us forward in the coming years. The FinEduTech segment will continue its strong focus in building up the VI Community by creating compelling customer experiences and through its efforts in acquisition, retention and technology development. We will be working towards retaining our customers as long-term VI Community members who can tap into our products for lifelong, repeat learning opportunities, and also seek to bring the benefits of digital transformation into the Financial Asset Management business through a number of technology-focused initiatives, including digitalising the Asset Management think-tank and its methodology.

We will also continue our efforts in synergising our Asset Management and FinEduTech businesses to create greater value as we remain true to our mission of empowering people to create sustainable wealth.

While the road to recovery may be long and arduous, we are not one to shy away from the challenges before us as we believe in the power of positive change. We are deeply appreciative of the unwavering efforts of our team members during these trying times and also the support extended by our shareholders. We are confident that we would be able to weather this adversity and strive to become stronger than before while continuing to serve our growing community.



**Ken Chee**  
Executive Chairman  
8I Holdings Limited



# OPERATING AND FINANCIAL REVIEW

FY2020 marks a significant step in the Group's journey towards recovery amidst the challenging operating landscape brought about by the US-China trade tensions and the ongoing COVID-19 pandemic outbreak.

Throughout the year, the Group has made conscious efforts in restructuring and refining its business operations by introducing a myriad of initiatives to infuse elements of digitalisation and the use of technology. Apart from restructuring the way we continue to conduct our business, the Group has also made a significant reduction in our overall expenses incurred during the year, bringing the Group closer to our goal of recovery.

## Overview

In FY2020, the Group recorded revenue of S\$11.9 million as compared to S\$25.3 million in FY2019, and a narrowed net loss after tax for the year standing at S\$4.0 million, as compared to S\$11.2 million recorded in the previous corresponding year.

The decline in revenue and investment income is attributable to the strategic disposal of the Digital and Marketing Segment in FY2019 in order for the Group to focus its resources in expanding the FinEduTech business in the Asia-Pacific region. This resulted in a reduction in revenue of S\$9.4 million from the Digital and Marketing Segment but an increase in profit in the Financial Education Segment in Singapore and Malaysia of S\$2.9 million, mainly brought about by the Group's robust operations in Singapore and Malaysia.

The narrowing of our losses in FY2020 was mainly attributable to the improved performance of the restructured Hidden Champions Fund, bringing down the fair value loss on investment securities to S\$3.3 million, as compared to S\$8.9 million recorded in FY2019.

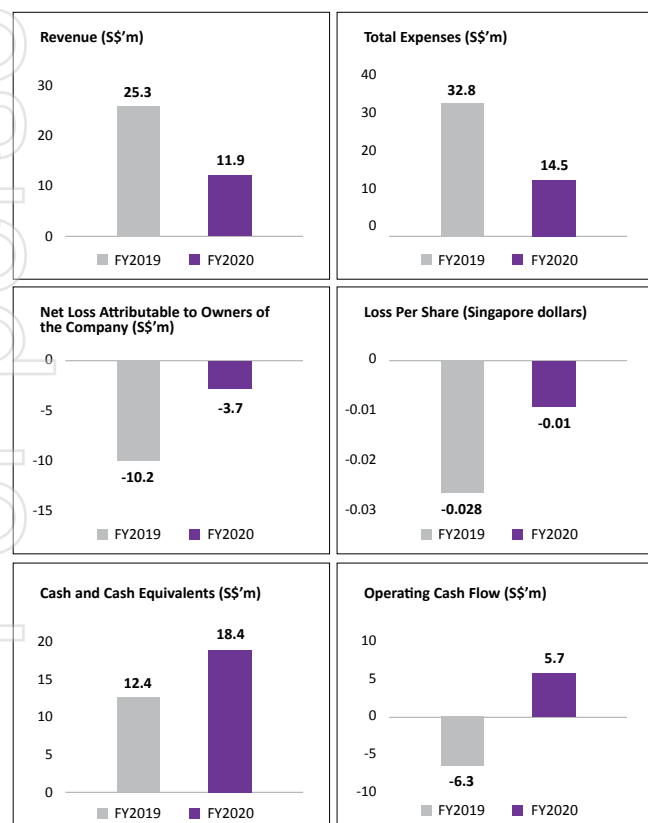
Following the Group's strategy as outlined in last year's report, our efforts to optimise and streamline business processes and costs have seen positive results. While revenue for our Financial Education segment stands at S\$10.3 million, as compared to the S\$12.7 million recorded in the previous financial year, the Financial Education segment in Singapore and Malaysia has returned to profitability with a net profit of S\$1.3 million, a turnaround from the net loss of S\$1.7 million in the previous corresponding year.

# OPERATING AND FINANCIAL REVIEW (Cont'd)

## Financial Position

Apart from narrowing the net loss in FY2020, the Group maintained a sound financial position. As of 31 March 2020, the Group improved its cash position with cash and cash equivalents of S\$18.4 million from S\$12.4 million last year. We also reversed cash flows from operating activities, recording net cash inflow provided by operating activities of S\$5.7 million, as compared to the net cash outflow by operating activities of S\$6.3 million last year.

With the implementation of FRS 116, all office lease rentals which were previously classified as operating leases under FRS 17 as an off-balance sheet item, has been recognised on the balance sheet. This resulted in the Group recognising right-of-use assets and corresponding lease liabilities of S\$1.2 million. While this change does not significantly impact our bottom line, it has resulted in a slight increase in our gearing ratios. However, the Group remains well within its ability to service its lease obligations, which is mainly the rental of office space, despite the economic climate and business continuity measures adopted due to COVID-19.



## BUSINESS SEGMENT REPORT

### FinEduTech – 8VIC Holdings Limited

Over the past year, [8VIC Holdings Limited](#) ("8VI") has regained its footing under the renewed management team and is well on its way back to a healthy financial baseline. Despite recording a lower revenue as compared to the previous financial year, 8VI has turned profitable in FY2020 through the tireless efforts of the entire team.

As part of the Group's business model refinement, the original financial technology and financial education businesses have been enhanced and incorporated under the VI brand in January 2020, representing the Group's strategic shift into FinEduTech. Integrating the capabilities of the smart stock analysis tool, financial education programme offerings and services, as well as a community-driven knowledge exchange portal, the launch of the VI brand and platform marks a significant shift in 8IH's strategic transformation through digitalisation and facilitating the use of FinTech as a key driver of its businesses and operations. 8VI is no longer an offline education provider but has become a hub for investors seeking knowledge through a host of recurring subscription products.

While 8VI started out the final quarter with its usual operations and business activities in Singapore and overseas, the rise and spread of COVID-19 around the world led to a rapid shift and expansion of its operations and services online by mid-March 2020. This was an accelerated move but one that we successfully executed as part of our long-term business plan. As 8VI continued to operate in March 2020 and beyond, the offering of VI College's digital financial education programmes and training have been expanded and community support was integrated fully within VI App to reach a wider audience and meet evolving consumer habits. A customer is no longer a one-time "graduate" from our programme, but a VI Community member tapping into our platform and products for life-long, repeat learning opportunities.

As part of our digitalisation initiative, we have set out an 80:20 transformation plan for 8VI to explore various technologies that could be adopted for our expansion plans to manage and balance the increase between profit and revenue, where we will have 80% of our offerings online and offered through our digital platform, namely VI App, while keeping the remaining 20% offline through experiential learning.

## OPERATING AND FINANCIAL REVIEW (Cont'd)



In order to support the shift in our positioning and strategy towards a recurring revenue model, 8VI's business and operations have been restructured to streamline activities and incorporate a strong focus in customer experiences within the VI Community through aspects including Acquisition, Retention and Technology Development.

For more details on the FinEduTech segment, please refer to the [Annual Report for 8VIC Holdings Limited](#).

### **Financial Asset Management – Hidden Champions Fund**

The listed securities under [Hidden Champions Fund](#) ("HCF") registered an unrealised fair value loss on investment securities of S\$3.3 million. Since its restructuring in October 2018, the performance for HCF Class 1 largely reflected the markets in Asia, against the benchmarks of MSCI APAC. Earlier in FY2020, turbulent markets in Hong Kong and the escalating trade war between China and the US saw volatility in the markets which dampened our returns, and with the emergence of an unsubstantiated short-seller report in September 2019 further depressed the share price performance of one of our top holdings, though the fundamental performance remains impressive. Similarly, the global spread of COVID-19 since early 2020 has affected our portfolio, but less so as compared to the various benchmarks including MSCI APAC, STI and KLCI.

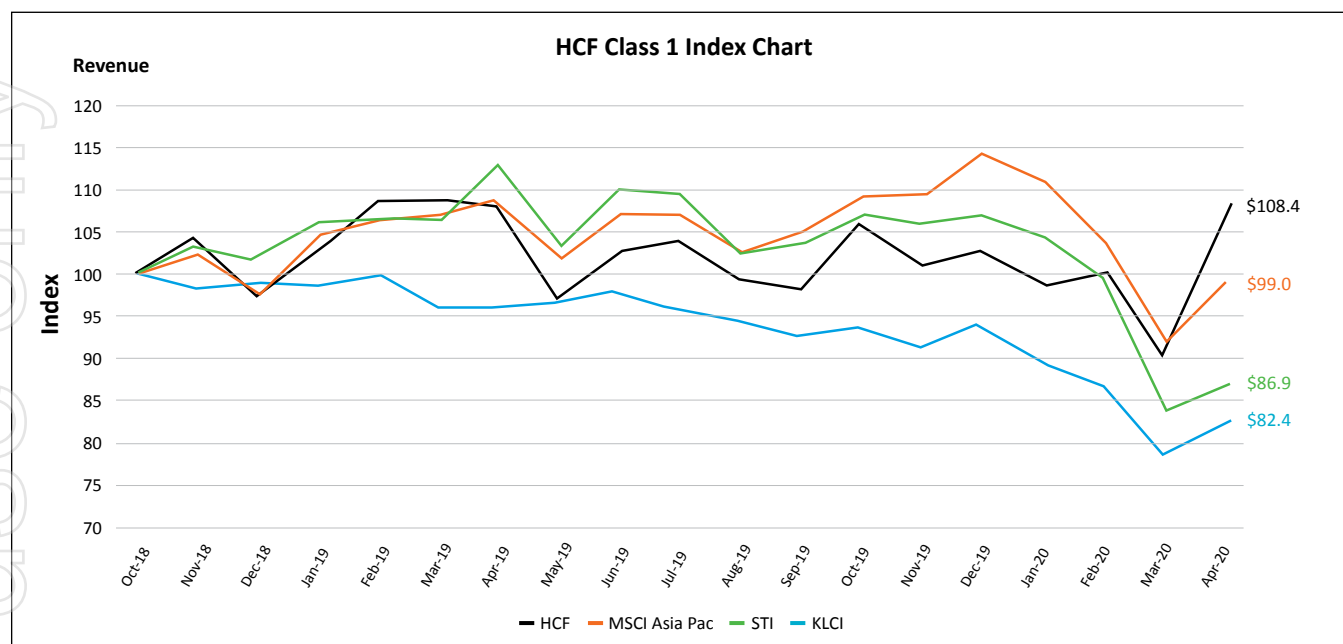
Nevertheless, when the market rebounded in April 2020, the fund performance followed due to an overall increase in share prices of several companies, including our core holdings.

Post year-end, the HCF Class 1 portfolio has rebounded significantly to around 20% between end-March 2020 to end-April 2020. We have also allocated 4% of our cash holdings to companies (2 China A-Shares, 1 ASX-listed, 1 HKSE-listed) which have been on our radar for quite some time. Due to the strong fundamentals and positive price performance of our core holdings, we managed to claw back from the previous subpar performance in 2019 as a result of HCF's conservative approach of having more than 30% in cash holdings, and is currently outperforming the MSCI APAC by about 10% (since October 2018).

As an asset management company, the returns from our investments will tend to be lumpy in nature which is typical in our business, since our performance depends on overall market conditions and macro-economic business landscape. As such, the challenge of being an investor is to be able to hold on to and even add on to those positions that have been properly researched and yet mispriced for a long time. Testament to the emotional stability of an investor, at HCCM, we remain committed to our investment process and are confident that it will turn out fine over time.



# OPERATING AND FINANCIAL REVIEW (Cont'd)



However, we are of the view that the COVID-19 pandemic will likely be a prolonged one (as compared to SARS) and we are well prepared should the market take a downturn. Coupled with the pandemic is the unusual phenomenon of negative oil contract prices (for WTI) where the demand for oil has dropped dramatically due to many countries having their various versions of "lockdown" and the impact it has on travel and energy consumption in general. However, we believe we are well equipped to weather these external shocks due to our dual growth engines, awareness to adapt and diligent efforts in staying ahead of the curve.

In line with the previous year's report, the Group has also concluded the divestment plans of its non-core and non-synergistic businesses since January 2020, whilst retaining our investment in complementary businesses such as AutoWealth, leveraging its expertise and experience in the FinTech industry. The Group will continue to focus its resources on growing its core engines and seek further growth in line with our other subsidiaries as they work hand-in-hand towards our goals in the coming years.

## Looking Ahead

One of our key focuses going forward would be to deepen the synergy between the two core engines through a number of technology-focused initiatives. One such initiative would include digitalising the

Asset Management thinktank and its methodology. We believe that the added infusion of digitalisation and technology will allow the Group to tap on the advantages of a more structured approach to our Asset Management business through data and analysis, and ultimately to achieve greater discipline in our strategies and efficiencies.

Our people are our greatest asset and we could not have come this far in our journey without the collective, tireless efforts of our team members, particularly during this challenging period. At the same time, we would also like to express our sincere appreciation for the belief, patience and steadfast show of support extended by our shareholders. In the year ahead, we endeavour to become stronger than before while continuing to serve our growing community and we will set our sights firmly onto delivering what we have set out to achieve.

**Clive Tan**  
Executive Director  
8I Holdings Limited

# BOARD OF DIRECTORS



**KEN CHEE**

Executive Chairman

Ken Chee is the co-founder and Executive Chairman of 8I Holdings Limited and is based in Singapore. Appointed to the board in May 2014, Ken advises on strategic planning and partnerships development, and is involved in driving the all-round growth of the Group's FinEduTech businesses and smart investing technology platform, VI.

Ken has more than 20 years of professional experience across business development, operations, strategy and marketing from his past roles, including Quicken (Singapore) and Telekurs Financial.

Ken was awarded the Spirit of Enterprise, Honoree Award in 2005 by the President of Singapore for outstanding business results. He sits on the board of 8VIC Holdings Limited and is also a Young Presidents' Organisation member under the Singapore Chapter.

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



**CLIVE TAN**

Executive Director

Clive Tan is the co-founder and Executive Director of 8I Holdings Limited and is based in Singapore.

Within the Group, Clive is responsible for the strategic planning, business development, corporate policies and risk management of its businesses, and leads the asset management activities under Hidden Champions Capital Management. 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 8VIC Holdings Limited. He began his professional career in the public education sector in Singapore.

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

## BOARD OF DIRECTORS (Cont'd)



**CHAY YIOWMIN**

Non-Executive Director

Yiowmin is currently the chief executive officer of Chay Corporate Advisory Pte Ltd, a boutique corporate advisory house. He is also the lead independent and non-executive director of UMS Holdings Limited and Metech International Limited, both listed on the Singapore Exchange, and non-executive director of both Libra Group Limited listed on the Singapore Exchange and 8I Holdings Limited listed on the Australia Stock Exchange. Between 2013 and 2015, he was the lead independent and non-executive director of Advance SCT Limited.

Since graduating in 1998, Yiowmin has accumulated many years of public accounting experience in Singapore and the United Kingdom with a number of reputable international accounting firms, including PricewaterhouseCoopers LLP, Deloitte and Touche LLP, Moore Stephens LLP and BDO LLP.

Yiowmin currently sits on the Singapore steering committee of the Professional Risk Managers' International Association (PRMIA), and the Standards and Technical Committee of IVAS. He is also an active Grassroots Leader, serving as a treasurer with the Kebun Baru and Sengkang South Citizens Consultative Committees, and an auditor with the Thomson Hills Neighbourhood Committee. He is also a member of the Kebun Baru Inter-Racial and Religious Confidence Circles. He was awarded the Pingat Bakti Masyarakat (Public Service Medal) (PBM) by the President of the Republic of Singapore in 2016.

Yiowmin holds a Bachelor of Accountancy and a Master of Business from the Nanyang Technological University, and a Master of Business Administration from the University of Birmingham. Yiowmin is also a Fellow Chartered Accountant (FCA Singapore) of the Institute of Singapore Chartered Accountants (ISCA), an Associate Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW) and a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers of Singapore (IVAS).



**CHARLES MAC**

Non-Executive Director

Charles Mac was appointed Non-Executive Director in April 2016. Charles has more than 18 years of IT corporate experience, of which 15 years in the SAP Industry dealing with multinational companies across 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.

Charles currently serves on the Board of ASX-listed companies, 8VIC Holdings Limited and Ennox Group Limited as Non-Executive Director. Charles is an Australian citizen and holds a Bachelor of Computing (Information System) from Monash University.



## KEY MANAGEMENT



### LOUIS CHUA

Chief Financial Officer

Louis Chua joined 8I Holdings in April 2015 as the Company's Chief Financial Officer and is based in Singapore. Within the 8I Group, Louis is responsible for risk management, corporate secretarial, controllership and treasury duties, as well as economic strategy and financial forecasting for the Company.

Louis is based in Singapore and has more than 20 years of assurance, 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).

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



### LOW MING LI

Head of Corporate Affairs

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

Within the Company, she manages the preparation and implementation of strategic activities and advises on several corporate functions including investor relations, strategic partnerships and growth initiatives. Ming Li also oversees the investment deals for the Company.

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 and development. Her past clients include Singapore Exchange Limited, the Government Investment Corporation of Singapore and Singapore Press Holdings.

Ming Li graduated with a Bachelor in Accountancy and a minor in Banking and Finance (Second Class Upper) from Nanyang Technological University. She is also a Chartered Financial Analyst (CFA) charterholder, and a member of the Institute of Singapore Chartered Accountants (ISCA).

# CORPORATE STRUCTURE



Holdings Limited

Corporate

**8 Investment  
Pte. Ltd.**  
(100%)



**FinEduTech**

Financial  
Education

Financial  
Technology

**8VIC Holdings Limited**  
(80%)

(51%)

(42%)

**8VI Global  
Pte. Ltd.**  
(100%)

**8Bit Global  
Pte. Ltd.**  
(93%)

**8VI Malaysia  
Sdn. Bhd.**  
(100%)

**8VIC Taiwan  
Co. Ltd.**  
(70%)

**8VI China  
Pte. Ltd.**  
(65%)

**8VIC JooY Media  
Sdn. Bhd.**  
(70%)

**信益安 (上海)  
实业有限公司**  
(100%)



**Financial Asset Management**

Registered Fund  
Management Company

Investment  
Fund

**Hidden Champions  
Capital Management  
Pte. Ltd.**  
(100%)

**8IH Global  
Limited**  
(100%)

**Hidden  
Champions Fund**  
(100%)

# ENGAGING OUR TEAM MEMBERS



Beyond the digital transformation and increasing usage of technology in our business operations, the Group has also put in place several initiatives to continuously engage with our team members and provide them with the necessary resources to take up courses and digital or technology-related training to upgrade their skillsets to excel in the new phase of the Group's digital transformation.

Apart from just focusing on their operational efficacies and core competencies, the Group also places great emphasis on cultivating a strong team bond amongst our supportive team members and establishing a supportive, conducive and collaborative working environment for our team members to grow alongside the organisation.

## CORE VALUES

- We do what we think & say
- We enjoy what we do
- We take care of one another like family
- We uphold the trust of our stakeholders
- We work towards mastery without invalidation of self & others
- We are value-conscious for the price paid
- We keep our hearts & minds open
- We make it simple



# PLAYING OUR PART FOR COMMUNITIES



2020 proved to be a challenging year, not just for the Group, but also on a global scale. Despite the challenges posed by the COVID-19 novel coronavirus outbreak, the Group has reasonably navigated the uncertainties. In an effort for us to give back to the community during these trying times, the Group has taken part in several initiatives to help with the less fortunate who were badly hit by the COVID-19 outbreak.

# CORPORATE GOVERNANCE STATEMENT

## Introduction

8I Holdings Limited (the “Company”) and its Board has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance, which are in effect as of the 27 June 2020. The Board is committed to administering the Company’s policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs.

To the extent applicable, the Company has adopted the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (Recommendations).

In light of the Company’s size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company’s activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company’s main corporate governance policies and practices as at the date of this report are detailed below. The Company’s full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company’s website at [www.8iholdings.com](http://www.8iholdings.com).

# CORPORATE GOVERNANCE STATEMENT

## Principle 1: Lay solid foundations for management and oversight

### Recommendation 1.1

A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.

The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is available on the Company's website.

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure and investment;
- (vii) overseeing the integrity of the company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

### Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of the two Executive Directors (each of whom is a significant Shareholder) and two Non-Executive Directors (each of whom is independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement.

The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.

All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in Section 3 of the Prospectus or a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.

### Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has entered into Executive Service Agreements with executive directors and Letters of Appointment with each Non-Executive Director.



# CORPORATE GOVERNANCE STATEMENT

## Principle 1: Lay solid foundations for management and oversight (continued)

### Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.

### Recommendation 1.5

A listed entity should:

- (a) have a diversity policy which includes requirements for the board:
  - (i) to set measurable objectives for achieving gender diversity; and
  - (ii) to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period:
  - (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and
  - (ii) either:
    - the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
    - the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.

The Company has adopted a Diversity Policy. The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

The Diversity Policy provides a framework for the Company to achieve a list of measurable objectives that encompass gender equality. The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives. The Diversity Policy is available on the Corporate Governance Plan on the Company's website.

The Company does not discriminate on the basis of gender. The Company is not of a relevant size to consider setting measurable objectives for achieving gender diversity. As such the board has not set any measurable objectives for achieving gender diversity.

| Category           | 31 March 2020 |        |
|--------------------|---------------|--------|
|                    | Male          | Female |
| Board of Directors | 4             | Nil    |
| Senior Management  | 4             | 3      |
| Company wide       | 46            | 39     |

The Senior Management refer to those persons having authority and responsibility for planning, directing, controlling the activities of the consolidated entity, directly or indirectly, of the consolidated entity.

### Recommendation 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company is not of a relevant size to consider formation of a Nomination Committee. The responsibilities of the Nomination Committee are currently carried out by the board and evaluating the performance of the Board, any committees and individual directors on an annual basis. The Board may do so with the aid of an independent advisor. The process for this can be found in Schedule 5 of the Company's Corporate Governance Plan.

The Company has established the Nomination Committee Charter, which requires disclosure as to whether or not performance evaluations were conducted during the relevant reporting period.

During the year a performance evaluation of the Executive Chairman and Executive Director was undertake by the non-executive directors. The performance of the board, its committees and the individual directors is assessed on an ongoing basis by the Chairman of the Board.

### Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The responsibilities of the Nomination Committee are currently carried out by the board, which includes periodically evaluating the performance of senior executives. The process is disclosed in Schedule 6 of the Corporate Governance Plan.

During March 2020, over a series of informal discussions, the executive directors reviewed each senior executive. All senior executives' performances met performance criteria.

# CORPORATE GOVERNANCE STATEMENT

## Principle 2: Structure the board to add value

### Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.

### Recommendation 2.2

A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Company identifies the following as the main areas of skills required by the board to successfully service the Company. The directors have been measured to these areas in the skills matrix:

|  | Number of Directors that meet the skill |
|--|---|
| Executive and Non-Executive experience | 4                                       |
| Industry experience and knowledge      | 4                                       |
| Leadership                             | 4                                       |
| Corporate governance & Risk Management | 4                                       |
| Strategic thinking                     | 4                                       |
| Desired behavioural competencies       | 4                                       |

### Number of Directors that meet the skill

|                            |   |
|----------------------------|---|
| Geographic experience      | 4 |
| Capital Markets experience | 3 |
| Subject matter expertise   |   |
| - accounting               | 3 |
| - capital management       | 3 |
| - corporate financing      | 3 |
| - industry taxation        | 1 |
| - risk management          | 4 |
| - legal                    | 3 |
| - IT expertise             | 1 |

The Board Charter requires the disclosure of each board member's qualifications and expertise as set out in the Company's Board skills matrix. Full details as to each director and senior executive's relevant skills and experience are available in the Annual Report and the Company's Website.

### Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director

The Board Charter provides for the disclosure of the names of Directors considered by the board to be independent. Currently two members of the Board are considered independent being Mr Yiowmin Chay and Mr Charles Mac;

The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Report; and

The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is as follows:

- Mr Ken Chee appointed on 17 May 2014
- Mr Clive Tan appointed on 17 May 2014
- Mr Yiowmin Chay appointed on 22 Sep 2014
- Mr Charles Mac appointed on 26 Apr 2016

# CORPORATE GOVERNANCE STATEMENT

## Principle 2: Structure the board to add value

(continued)

### Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

The Board considers that only two out of the four Directors are independent directors in accordance with the ASX Corporate Governance Council's definition of independence:

Mr. Chay Yiowmin  
(Independent Non-Executive Director)

Mr. Charles Mac  
(Independent Non-Executive Director)

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors.

The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.

### Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Mr. Chee currently holds the position of Executive Chairman which does not comply with the ASX Corporate Governance Council's recommendations.

While the Board considers the importance of a division of responsibility and independence at the head of the Company, the existing structure is considered appropriate and provides a unified leadership structure. Mr. Chee has been the major force behind the establishment of the 8I Group and its current growth and direction. The Board considers that, at this stage of the Company's development, he is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his long standing experience of its operations and business relationships.

### Recommendation 2.6

A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.

The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Remuneration Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.



# CORPORATE GOVERNANCE STATEMENT

## Principle 3: Act ethically and responsibly

### Recommendation 3.1

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

The Board is committed to the establishment and maintenance of appropriate ethical standards.

The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. The Company's Corporate Code of Conduct is available in the Corporate Governance plan which is on the Company's website.

# CORPORATE GOVERNANCE STATEMENT

## Principle 4: Safeguard integrity in financial reporting

### Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (iii) the charter of the committee;
    - (iv) the relevant qualifications and experience of the members of the committee; and
    - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established an Audit and Risk Committee comprised of three members and chaired by an independent director. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional non-executive Director to satisfy Recommendation 4.1 in full. The Company has adopted the Audit and Risk Committee Charter and the Board believes that the individuals on the Audit and Risk Committee can make, and do make, quality and informed judgements in the best interests of the Company on all relevant issues.

#### Audit and Risk Committee members

Details of attendance at meetings up to 31 March 2020 are set out below.

| Director Name        | Held | Attended |
|----------------------|------|----------|
| Chay Yiowmin (Chair) | 1    | 1        |
| Clive Tan Che Koon   | 1    | 1        |
| Charles Mac          | 1    | 1        |

### Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Audit and Risk Committee Charter states that a duty and responsibility of the Committee is to ensure that before the Board approves the entity's financial statements for a financial period, the Executive Chairman and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Audit and Risk Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

# CORPORATE GOVERNANCE STATEMENT

## Principle 5: Make timely and balanced disclosure

### Recommendation 5.1

A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- (b) disclose that policy or a summary of it.

The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure-Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.

The Board Charter and Schedule 7 of the Corporate Governance Plan which is available at the Company's website.



# CORPORATE GOVERNANCE STATEMENT

## Principle 6: Respect the rights of security holders

### Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Company has a comprehensive website found at [www.8iholdings.com](http://www.8iholdings.com), where there are links to directors, corporate governance, plans and policies. Also included are links to all financial reports, announcements, notice of meetings and presentations and any external media commentary made on the Company

### Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders. The Shareholder Communications Strategy can be found in the Corporate Governance plan under schedule 11 which is available at the Company's website.

### Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Shareholder Communication Strategy, which can be found in schedule 11 of the Corporate Governance Plan which is available on the Company's website.

### Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.

# CORPORATE GOVERNANCE STATEMENT

## Principle 7: Recognise and manage risk

### Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

The Board has established an Audit and Risk Committee that has assumed the role of a separate Risk Management Committee and which operates under the Audit and Risk Committee Charter approved by the Board. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks were also considered by the Board. Further details of the committee's activities are provided in the Company's Annual Report.

### Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and
- (b) disclose in relation to each reporting period, whether such a review has taken place.

The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan, which can be found on the Company's website, is entitled 'Disclosure - Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.

The Board Charter requires in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings are provided in the Company's Annual Report.

### Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not currently have an internal audit function. Given the size of the Company, no internal audit function is currently considered necessary. The Company's Management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. The Board also considers external reviews of specific areas and monitors the implementation of system improvements.

### Recommendation 7.4

A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Audit and Risk Committee Charter details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

# CORPORATE GOVERNANCE STATEMENT

## Principle 8: Remunerate fairly and responsibly

### Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;
- or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has a Remuneration Committee which is made up by Mr Charles Mac as Chairman, Mr Yiowmin Chay and Mr Clive Tan. The committee is made up of a majority of independent directors and is chaired by one of the independent directors and is therefore compliant with recommendation 8.1 (a)(i) and(ii).

The Company has adopted The Remuneration Committee Charter. The Remuneration Committee Charter outlines the roles and responsibilities of the Remuneration Committee and provides that:

- (i) The Remuneration Committee comprises of at least three Directors, the majority of whom are independent non-executive Directors;
- (ii) The Remuneration Committee must be chaired by an independent Director who is appointed by the Board.
- (iii) The Remuneration Committee Charter is available in the Corporate Governance Plan which is available on the Company's website;
- (iv) The Board Charter requires disclosure of the members of the Committee. Details of the current members are provided in the Annual Report; and
- (v) The Board Charter requires each Committee in relation to the reporting period relevant to that Committee, to disclose the number of times that Committee met throughout the period, and the individual attendances of the members at those Committee meetings. Details of the Committee meetings will be provided in the Company's Annual Report.

#### Remuneration Committee members

Details of attendance at meetings up to 31 March 2020 are set out below.

| Director Name       | Held | Attended |
|---------------------|------|----------|
| Charles Mac (Chair) | 1    | 1        |
| Clive Tan Che Koon  | 1    | 1        |
| Chay Yiowmin        | 1    | 1        |

### Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.

The Remuneration Committee Charter outlines the Company's policies and practices regarding the remuneration of non-executive, executive and other senior directors.

The remuneration of any Executive Director will be decided by the Board following the recommendation of the Remuneration Committee, without the affected Executive Director participating in that decision-making process.

The Articles provide that the Non-Executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum pursuant to a resolution passed at a general meeting of the Company. Until a different amount is determined, the amount of the remuneration is S\$200,000 per annum.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Remuneration Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.



# CORPORATE GOVERNANCE STATEMENT

## Principle 8: Remunerate fairly and responsibly

(continued)

### Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

The Company had obtained its shareholders' approval on the creation of an equity-based remuneration scheme. The Company's full Employee Share Plan is available in the Company's website at [www.8iholdings.com](http://www.8iholdings.com)

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Executive Chairman (or the Board in the case of the Executive Chairman) must be obtained prior to trading.

# CORPORATE GOVERNANCE STATEMENT

## Environment

The Company is committed to minimising its own environmental footprint and supporting a smooth and orderly transition to a low carbon economy.

### Climate change

As a technology-based services and infrastructure company, the Company is not materially exposed to direct climate change risks.

The Group is a diverse, customer-orientated organisation offering a range of activities that include the financial education, financial technology, as well as the provision of assets management services.

Like other companies, the Company is exposed to the risk of changes in regulatory pricing related to climate change. For example, increases in electricity costs. However, our view is that these risks are not material to the Company.

### 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.

# 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 2020. 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 Corporate Affairs   |
| Louis Chua Chun Woei | Chief Financial Officer;<br>Chief Risk Officer;<br>and Company Secretary<br>(Australia) |

## 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 <sup>(1)</sup>     | Fees  | Term of Agreement | Notice Period |
|--------------------|--------------------------------|---|-------------------|---------------|
| Chee Kuan Tat, Ken | S\$168,000 p.a.                | S\$nil  | No fixed term     | N/A           |
| Clive Tan Che Koon | S\$144,000 p.a. <sup>(2)</sup> | S\$43,200 p.a. <sup>(3)</sup>                   | No fixed term     | N/A           |
| Chay Yiowmin       | S\$nil                         | S\$42,000 p.a.                                  | No fixed term     | N/A           |
| Charles Mac        | S\$nil                         | S\$42,000 p.a.<br>S\$21,000 p.a. <sup>(3)</sup> | No fixed term     | N/A           |

<sup>(1)</sup> Excluding employer's Central Provident Fund (CPF) contribution

<sup>(2)</sup> Executive director remuneration of a subsidiary

<sup>(3)</sup> Non-executive director fee of a subsidiary

# REMUNERATION REPORT

## 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 2020 is set out below:

| Name of Directors                     |  | Salary*<br>% | Bonus/<br>Profit-sharing<br>% | Directors' Fee<br>% | Total<br>% |
|---------------------------------------|--|--------------|-------------------------------|---------------------|------------|
| <b>S\$250,000 to below S\$500,000</b> |  |              |                               |                     |            |
| Chee Kuan Tat, Ken                    |  | 92           | 8                             | -                   | 100        |
| Clive Tan Che Koon                    |  | 76           | 7                             | 17                  | 100        |
| <b>Below S\$100,000</b>               |  |              |                               |                     |            |
| Chay Yiowmin                          |  | -            | -                             | 100                 | 100        |
| Charles Mac                           |  | -            | -                             | 100                 | 100        |

| Name of Key Management Personnel      |  | Designation  | Salary*<br>% | Bonus/<br>Profit-sharing<br>% | Employee Share Plan<br>% | Total<br>% |
|---------------------------------------|--|--|--------------|-------------------------------|--------------------------|------------|
| <b>S\$100,000 to below S\$250,000</b> |  |  |              |                               |                          |            |
| Low Ming Li                           |  | Head of Corporate Affair   | 92           | 8                             | -                        | 100        |
| Louis Chua Chun Woei                  |  | Chief Financial Officer;<br>Chief Risk Officer; and<br>Company Secretary (Australia) | 92           | 8                             | -                        | 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.

The total remuneration of the top five key executives (who are not directors of the Company) is S\$855,016 for the financial year ended 31 March 2020 (2019: S\$789,660).

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 2020.

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 2020.

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



# REMUNERATION REPORT

## 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' MEETINGS |                    |          |
|---------------------|--------------------|----------|
| 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        |

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2020 and the statement of financial position of the Company as at 31 March 2020.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group 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 2020 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<br>in name of<br><u>director or nominee</u> |                    |
|----------------------------|---|--------------------|
|                            | <u>At 31.3.2020</u>   | <u>At 1.4.2019</u> |
| <b>8I Holdings Limited</b> |   |                    |
| (No. of ordinary shares)   |   |                    |
| Mr Chee Kuan Tat, Ken      | 86,684,792  | 86,684,792         |
| Mr Clive Tan Che Koon      | 65,140,000  | 65,140,000         |

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.

## 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 2020 before their submission to the Board of Directors.

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

# DIRECTORS' STATEMENT

*For the financial year ended 31 March 2020*

## Independent Auditor

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

On behalf of the directors



**Chee Kuan Tat, Ken**  
Director

29 May 2020



**Clive Tan Che Koon**  
Director

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of 8I Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of 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 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### 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 are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



## 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><b>Valuation and impairment of Investment in Subsidiaries</b><br/><i>(Refer to Note 16 to the financial statements)</i></p> <p>The Company carries its investment in subsidiaries at cost adjusted for impairment losses. As at 31 March 2020, the carrying amount of investment in subsidiaries amounted to S\$15,678,762. During the financial year, the Company recognised S\$2,647,688 of impairment losses in investment in subsidiaries.</p> <p>We consider the valuation and impairment of investment in subsidiaries to be a significant key audit matter as the amount is significant to the financial statements. Moreover, the identification of impairment events and the determination of impairment charge requires the application of significant judgement by management.</p>  | <ol style="list-style-type: none"> <li>1. Examined and analysed the method and assumptions used by the management in carrying out the impairment test.</li> <li>2. Considered the adequacy of the disclosures in the financial statements in respect to this matter.</li> </ol> <p>We found that the method and assumptions used by the management were reasonable. We also found the disclosure in the financial statements to be adequate.</p>   |
| <p><b>Adoption of FRS 116 Leases</b><br/><i>Refer to Note 3.1 (Critical judgements in applying the entity's accounting policies) and Note 19 (Lease liabilities) to the financial statements.</i></p> <p>The Group adopted FRS 116 Leases on 1 April 2019 and elected to recognise right-of-use assets based on amount equal to the lease liability, adjusted by the amount of any prepaid and accrued lease payments previously recognised. Comparative figures were not restated.</p> <p>The lease liabilities were initially measured by discounting the lease payments over the lease terms. For leases with extension options, the Group applied significant judgement in determining whether such extension options should be included in measuring the lease liabilities. As at 31 March 2020, the Group's lease liabilities amounting to S\$1,214,512.</p> <p>We focused on the adoption of FRS 116 in view of the significant effort required to audit the lease liabilities recognised due to the large volume of leases and significant judgement applied in determining whether the facts and circumstances created an economic incentive for the Group to exercise the lease extension option.</p> | <p>In relation to the Group's application of FRS 116, we:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the internal controls, including the new processes and controls in relation to the application of FRS 116;</li> <li>2. Obtained an understanding of the lease contracts identified by management and assessed the appropriateness of management's identification of those contracts as leases based on contractual agreements;</li> <li>3. Assessed the reasonableness of management's expectation of the lease period using our understanding of the Group's historical lease periods for similar assets, importance of the leased asset to the Group's business and whether the cost of obtaining replacement asset would be significant;</li> <li>4. Assessed discount rates applied by the Group;</li> <li>5. Tested the mathematical accuracy of the lease calculations; and</li> </ol> <p>We found the judgement applied by management in the recognition of lease liabilities to be appropriate.</p> <p>We also found the disclosure on the critical judgements applied by management in the determination of the lease term in Note 3.1(c) to be appropriate.</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><b>Impact of the disruption to the operations due to Covid 19</b><br/><i>Refer to Note 29</i></p> <p>The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. As a result, these have impacted on the Education and Investment segments of the Group.</p> <p><b>Financial Education Segment</b></p> <p>8VIC had shifted from offline trainings and programme services to online services in mid-March 2020 in Singapore and Malaysia. The offering of web-based financial education programmes and training have been expanded and community support was integrated fully within VI App to reach a wider audience and meet the evolving consumer habits. This temporary change in business operation had not significantly affect the financial performance of the financial education business during the financial year.</p> <p><b>Financial Investment Segment</b></p> <p>The Group has investment in listed securities under Hidden Champions Fund. It registered an unrealised fair value loss on investment securities of S\$3.3 million during the year. Since its restructuring in October 2018, the performance for HCF Class 1 largely reflects the markets in Asia, against the benchmarks of MSCI Asia Pacific. Earlier in FY2020, turbulent markets in Hong Kong and the escalating trade war between China and US saw volatility in the markets which dampened the Group's returns, and with the emergence of an unsubstantiated short-seller report in September 2019 further depressed the share price performance of one of the Group's top holdings though the fundamental performance remains impressive. Similarly, the global spread of COVID-19 since early 2020 has affected the Group's portfolio, but less so as compared to the various benchmarks including MSCI Asia Pacific, STI and KLCI. The market rebounded in April 2020 and the fund performance followed due to an overall increase in share prices of several companies, including the Group's core holdings.</p> | <ol style="list-style-type: none"> <li>1. Considered the implications of COVID-19 when obtaining an understanding of the Group and its environment, in light of its objectives, strategies and other business risks.</li> <li>2. Discussed with management whether the impact of the COVID-19 has been incorporated into their risk assessment processes and how they have identified and assessed the significance of the business risks arising.</li> <li>3. Evaluated the assessment of management as to whether risks from COVID-19 could be material.</li> <li>4. Assessed the financial impact involving accounting estimates prepared by the management including significant assumptions used.</li> <li>5. Considered the adequacy of the disclosures in the financial statements.</li> <li>6. Considered the impact of the COVID-19 events after the reporting period if it requires adjustment to or disclosure in the financial report and whether the event impacts the appropriateness of the going concern basis of accounting.</li> </ol> <p>We found that the judgement applied, assessment made and method and assumptions used by the management were reasonable. We also found the disclosure in the financial statements to be adequate and sufficient.</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 |
|--|--|
| <b>Impact of the disruption to the operations due to Covid 19 (continued)</b><br><i>Refer to Note 29</i><br><br>We considered the impact of COVID-19 to be a key audit matter in view that the Group is in industries which are mainly affected by the COVID-19 namely, education and investment sector. |  |

### Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

### 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 FRSS, 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.





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## **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 Lim Yeong Seng.

**KLP LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 29 May 2020

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

|   | Note | 2020<br>S\$        | 2019<br>S\$         |
|---|------|--------------------|---------------------|
| <b>Revenue</b>  | 4    | <b>11,864,905</b>  | 25,345,224          |
| Investment loss   | 4    | (2,466,598)        | (6,325,757)         |
| Other gains   | 5    | 73,980             | 88,511              |
| Other income  | 5    | 503,151            | 832,435             |
| <b>Expenses</b>   |      |                    |                     |
| - Cost of sales and services  | 6    | (3,381,525)        | (13,026,427)        |
| - Administrative expenses   | 6    | (7,044,851)        | (10,023,031)        |
| - Marketing and other operating expenses  | 6    | (3,993,417)        | (8,049,684)         |
| - Impairment of goodwill  | 14   | -                  | (1,676,119)         |
| - Finance costs   |      | (81,577)           | (16,531)            |
| Share of loss attributable to the unit holders of redeemable participating shares | 21   | 719,846            | 1,953,397           |
| Share of (loss)/profit of an associated company                                   |      | (29,652)           | 46,114              |
| Loss before income tax  |      | (3,835,738)        | (10,851,868)        |
| Income tax expense  | 8    | (151,190)          | (332,545)           |
| <b>Loss for the year</b>  |      | <b>(3,986,928)</b> | <b>(11,184,413)</b> |
| Other comprehensive income/(loss):  |      |                    |                     |
| Items that may be reclassified subsequently to profit or loss:                    |      |                    |                     |
| - Currency translation differences arising from consolidation                     |      | 478,393            | 494,117             |
| Items that will not be reclassified subsequently to profit or loss:               |      |                    |                     |
| - Financial losses, at FVOCI  | 17   | (317,570)          | (989,506)           |
| Other comprehensive income/(loss), net of tax                                     |      | 160,823            | (495,389)           |
| <b>Total comprehensive loss for the year</b>                                      |      | <b>(3,826,105)</b> | <b>(11,679,802)</b> |
| Loss attributable to:   |      |                    |                     |
| - Owners of the Company   |      | (3,679,184)        | (10,198,735)        |
| - Non-controlling interests   |      | (307,744)          | (985,678)           |
|   |      | <b>(3,986,928)</b> | <b>(11,184,413)</b> |
| Total comprehensive loss attributable to:   |      |                    |                     |
| - Owners of the Company   |      | (3,639,021)        | (10,680,272)        |
| - Non-controlling interests   |      | (187,084)          | (999,530)           |
|   |      | <b>(3,826,105)</b> | <b>(11,679,802)</b> |
| Loss per share attributable to equity holders of the Company (S\$ per share)      |      |                    |                     |
| - Basic earnings  | 9    | (0.010)            | (0.028)             |
| - Diluted earnings  | 9    | (0.010)            | (0.028)             |

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

|   | Note | 31 March          |                   |
|---|------|-------------------|-------------------|
|   |      | 2020<br>S\$       | 2019<br>S\$       |
| <b>ASSETS</b>   |      |                   |                   |
| <b>Current assets</b>   |      |                   |                   |
| Cash and cash equivalents   | 10   | 18,442,385        | 12,382,781        |
| Trade and other receivables                                       | 11   | 2,527,868         | 4,773,835         |
| Financial assets, at FVPL   | 12   | 14,358,481        | 20,379,148        |
| Current income tax asset  | 8    | 129,122           | 213,438           |
|   |      | <b>35,457,856</b> | <b>37,749,202</b> |
| <b>Non-current assets</b>   |      |                   |                   |
| Other receivables   | 11   | 1,242,921         | 931,673           |
| Property, plant and equipment                                     | 13   | 1,597,993         | 625,925           |
| Intangible assets   | 14   | 430,439           | 183,138           |
| Investment in an associated company                               | 15   | -                 | 1,294,603         |
| Financial assets, at FVOCI  | 17   | 1,266,261         | 1,698,880         |
| Deferred income tax assets  | 22   | 264,331           | 178,865           |
|   |      | <b>4,801,945</b>  | <b>4,913,084</b>  |
| <b>Total assets</b>   |      | <b>40,259,801</b> | <b>42,662,286</b> |
| <b>LIABILITIES</b>  |      |                   |                   |
| <b>Current liabilities</b>  |      |                   |                   |
| Trade and other payables  | 18   | 1,767,983         | 1,530,854         |
| Lease liabilities   | 19   | 1,146,938         | 18,566            |
| Current income tax liabilities                                    | 8    | -                 | 106,498           |
| Unearned revenue  | 20   | 3,969,752         | 3,072,795         |
| Redeemable participating shares                                   | 21   | 3,927,686         | 5,582,278         |
|   |      | <b>10,812,359</b> | <b>10,310,991</b> |
| <b>Non-current liabilities</b>                                    |      |                   |                   |
| Lease liabilities   | 19   | 67,574            | 17,857            |
| Deferred income tax liabilities                                   | 22   | 4,000             | 4,000             |
|   |      | <b>71,574</b>     | <b>21,857</b>     |
| <b>Total liabilities</b>  |      | <b>10,883,933</b> | <b>10,332,848</b> |
| <b>NET ASSETS</b>   |      | <b>29,375,868</b> | <b>32,329,438</b> |
| <b>EQUITY</b>   |      |                   |                   |
| <b>Capital and reserves attributable to owners of the Company</b> |      |                   |                   |
| Share capital   | 23   | 34,455,641        | 34,491,447        |
| Other reserves  | 24   | (13,753,947)      | (13,793,142)      |
| Retained profits  |      | 7,615,639         | 10,874,431        |
|   |      | <b>28,317,333</b> | <b>31,572,736</b> |
| <b>Non-controlling interests</b>                                  | 16   | 1,058,535         | 756,702           |
| <b>Total equity</b>   |      | <b>29,375,868</b> | <b>32,329,438</b> |

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

# STATEMENT OF FINANCIAL POSITION - COMPANY

As at 31 March 2020

|   | Note | 31 March<br>2020<br>S\$ | 2019<br>S\$       |
|---|------|-------------------------|-------------------|
| <b>ASSETS</b>   |      |                         |                   |
| <b>Current assets</b>   |      |                         |                   |
| Cash and cash equivalents   | 10   | 8,100,084               | 1,111,714         |
| Trade and other receivables                                       | 11   | 4,905,819               | 13,085,680        |
| Financial assets, at FVPL   | 12   | 32,041                  | 46,444            |
| Current income tax asset  | 8    | -                       | 3,959             |
|   |      | <b>13,037,944</b>       | <b>14,247,797</b> |
| <b>Non-current assets</b>   |      |                         |                   |
| Other receivables   | 11   | 1,242,922               | 947,240           |
| Investments in subsidiaries                                       | 16   | 15,678,762              | 18,125,797        |
| Financial assets, at FVOCI  | 17   | 1,077,479               | 1,033,529         |
|   |      | <b>17,999,163</b>       | <b>20,106,566</b> |
| <b>Total assets</b>   |      | <b>31,037,107</b>       | <b>34,354,363</b> |
| <b>LIABILITIES</b>  |      |                         |                   |
| <b>Current liabilities</b>  |      |                         |                   |
| Trade and other payables  | 18   | 137,456                 | 141,483           |
| Unearned income   | 20   | 24,150                  | 38,110            |
|   |      | <b>161,606</b>          | <b>179,593</b>    |
| <b>Total liabilities</b>  |      | <b>161,606</b>          | <b>179,593</b>    |
| <b>NET ASSETS</b>   |      | <b>30,875,501</b>       | <b>34,174,770</b> |
| <b>EQUITY</b>   |      |                         |                   |
| <b>Capital and reserves attributable to owners of the Company</b> |      |                         |                   |
| Share capital   | 23   | 34,455,641              | 34,491,447        |
| Other reserves  | 24   | (2,062,917)             | (2,062,917)       |
| Retained profits  |      | (1,517,223)             | 1,746,240         |
| <b>Total equity</b>   |      | <b>30,875,501</b>       | <b>34,174,770</b> |

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

2020

Beginning of financial year

Loss for the year

Other comprehensive income/(loss) for the year

Total comprehensive income/(loss) for the year

Share buy-back

Disposal of a subsidiary

Dilution of subsidiary without change in control

Total transactions with owners of the Company, recognised directly in equity

End of financial year

| Attributable to owners of the Company |                    |                              |                 |                  |             | Non-controlling interests | Total equity |
|---------------------------------------|--------------------|------------------------------|-----------------|------------------|-------------|---------------------------|--------------|
| Share capital                         | Fair value reserve | Currency translation reserve | Capital reserve | Retained profits | Total       |                           |              |
| S\$                                   | S\$                | S\$                          | S\$             | S\$              | S\$         | S\$                       | S\$          |
| 34,491,447                            | (11,078,218)       | (405,377)                    | (2,309,547)     | 10,874,431       | 31,572,736  | 756,702                   | 32,329,438   |
| -                                     | -                  | -                            | -               | (3,679,184)      | (3,679,184) | (307,744)                 | (3,986,928)  |
| -                                     | (317,570)          | 357,733                      | -               | -                | 40,163      | 120,660                   | 160,823      |
| -                                     | (317,570)          | 357,733                      | -               | (3,679,184)      | (3,639,021) | (187,084)                 | (3,826,105)  |
| (35,806)                              | -                  | -                            | -               | -                | (35,806)    | -                         | (35,806)     |
| -                                     | -                  | -                            | (420,392)       | 420,392          | -           | (123,293)                 | (123,293)    |
| -                                     | -                  | -                            | 419,424         | -                | 419,424     | 612,210                   | 1,031,634    |
| (35,806)                              | -                  | -                            | (968)           | 420,392          | 383,618     | 488,917                   | 872,535      |
| 34,455,641                            | (11,395,788)       | (47,644)                     | (2,310,515)     | 7,615,639        | 28,317,333  | 1,058,535                 | 29,375,868   |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

2019

Beginning of financial year

Loss for the year

Other comprehensive income/(loss) for the year

**Total comprehensive income/(loss) for the year**

Share buy-back

Issue of new shares

Disposal of subsidiaries

Dilution of subsidiary without change in control

Acquisition of non-controlling interest without a change in control

**Total transactions with owners of the Company, recognised directly in equity**

End of financial year

| Attributable to owners of the Company |                    |                              |                 |                  |              | Non-controlling interests | Total equity |
|---------------------------------------|--------------------|------------------------------|-----------------|------------------|--------------|---------------------------|--------------|
| Share capital                         | Fair value reserve | Currency translation reserve | Capital reserve | Retained profits | Total        |                           |              |
| S\$                                   | S\$                | S\$                          | S\$             | S\$              | S\$          | S\$                       | S\$          |
| 34,422,910                            | (10,088,712)       | (913,252)                    | 132,424         | 21,073,166       | 44,626,536   | 3,372,158                 | 47,998,694   |
| -                                     | -                  | -                            | -               | (10,198,735)     | (10,198,735) | (985,678)                 | (11,184,413) |
| -                                     | (989,506)          | 507,969                      | -               | -                | (481,537)    | (13,852)                  | (495,389)    |
| -                                     | (989,506)          | 507,969                      | -               | (10,198,735)     | (10,680,272) | (999,530)                 | (11,679,802) |
| (136,804)                             | -                  | -                            | -               | -                | (136,804)    | -                         | (136,804)    |
| 205,341                               | -                  | -                            | -               | -                | 205,341      | -                         | 205,341      |
| -                                     | -                  | (94)                         | (1,977,690)     | -                | (1,977,784)  | (1,600,040)               | (3,577,824)  |
| -                                     | -                  | -                            | -               | -                | -            | 90,000                    | 90,000       |
| -                                     | -                  | -                            | (464,281)       | -                | (464,281)    | (105,886)                 | (570,167)    |
| 68,537                                | -                  | (94)                         | (2,441,971)     | -                | (2,373,528)  | (1,615,926)               | (3,989,454)  |
| 34,491,447                            | (11,078,218)       | (405,377)                    | (2,309,547)     | 10,874,431       | 31,572,736   | 756,702                   | 32,329,438   |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

|   | Note | 2020<br>S\$      | 2019<br>S\$        |
|---|------|------------------|--------------------|
| <b>Cash flows from operating activities</b>   |      |                  |                    |
| Loss before income tax  |      | (3,835,738)      | (10,851,868)       |
| Adjustments for:  |      |                  |                    |
| - Net gain on disposal of subsidiaries  | 4    | (51,977)         | (529,776)          |
| - Net gain on disposal of an associated company   | 4    | (5,320)          | -                  |
| - Net fair value loss of investment securities held at fair value through profit or loss  | 4    | 3,334,810        | 8,908,419          |
| - Net gain on disposal of investment securities held at fair value through profit or loss | 4    | (162,778)        | (720,961)          |
| - Interest income   | 5    | (207,524)        | (357,468)          |
| - Dividend income   | 4    | (648,137)        | (1,331,925)        |
| - Depreciation of property, plant and equipment   | 6    | 1,737,126        | 655,665            |
| - Amortisation of intangible assets   | 6    | 158,481          | 61,045             |
| - Amortisation of prepayments   | 6    | -                | 50,000             |
| - Property, plant and equipment written off   | 6    | -                | 33,343             |
| - Prepayment written off  | 6    | -                | 275,000            |
| - Bad debt written off  | 6    | 2,265            | -                  |
| - Credit loss allowance   | 6    | 110,618          | 36,103             |
| - Finance costs   |      | 81,574           | 16,531             |
| - Impairment of goodwill  |      | -                | 1,676,119          |
| - Share of loss/(profit) of an associated company   |      | 29,652           | (46,114)           |
| - Share of loss attributable to the unit holders of redeemable participating shares       | 21   | (719,846)        | (1,953,397)        |
| - Exchange differences  |      | 398,816          | 525,132            |
|   |      | <b>222,022</b>   | <b>(3,554,152)</b> |
| Change in working capital, net of effects from disposal of subsidiaries:                  |      |                  |                    |
| - Trade and other receivables   |      | (69,072)         | (569,221)          |
| - Financial assets, at FVPL   |      | 2,844,643        | (2,612,202)        |
| - Inventories   |      | -                | (507,834)          |
| - Trade and other payables  |      | 239,596          | 165,095            |
| - Unearned revenue  |      | 1,846,482        | (335,292)          |
| Cash from/(used in) operations  |      | <b>5,083,671</b> | <b>(7,413,606)</b> |
| Interest received   |      | 207,524          | 357,468            |
| Dividend received   |      | 648,137          | 1,331,925          |
| Income tax paid   | 8(b) | (249,843)        | (573,801)          |
| <b>Net cash provided by/(used in) operating activities</b>                                |      | <b>5,689,489</b> | <b>(6,298,014)</b> |
| <b>Cash flows from investing activities</b>   |      |                  |                    |
| Acquisition of non-controlling interest without a change in control                       |      | (68,079)         | (570,167)          |
| Proceeds from sale of non-controlling interest without a change in control                |      | 1,138,147        | 90,000             |
| Proceeds from sale of subsidiary, net of cash disposed                                    |      | (38,486)         | (3,087,812)        |
| Proceeds from sale of an associated company   |      | 200,000          | -                  |
| Net proceeds from loan to non-related parties   |      | 2,046,978        | 4,449,979          |
| Additions to property, plant and equipment  | 13   | (198,630)        | (377,645)          |
| Additions to intangible assets  | 14   | (405,782)        | (244,183)          |
| Disposal/(additions) to financial assets through other comprehensive income               | 17   | 115,049          | (1,039,897)        |
| Reduction in pledged deposits   |      | -                | 5,000,000          |
| <b>Net cash provided by investing activities</b>  |      | <b>2,789,197</b> | <b>4,220,275</b>   |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

|  | Note | 2020<br>S\$        | 2019<br>S\$        |
|--|------|--------------------|--------------------|
| <b>Cash flows from financing activities</b>                  |      |                    |                    |
| Issue of new shares  | 23   | -                  | 205,341            |
| Shares buy-back  | 23   | (35,806)           | (136,804)          |
| Principal payment of lease liabilities                       |      | (1,392,434)        | -                  |
| Finance cost paid  |      | (81,574)           | (16,531)           |
| Proceeds from finance lease                                  |      | -                  | 48,556             |
| Payment to fund's non-controlling unit holders               | 21   | (1,180,311)        | 241,724            |
| <b>Net cash (used in)/provided by financing activities</b>   |      | <b>(2,690,125)</b> | <b>342,286</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  |      | <b>5,788,561</b>   | <b>(1,735,453)</b> |
| <b>Cash and cash equivalents</b>                             |      |                    |                    |
| Beginning of financial year                                  |      | 12,382,781         | 13,942,773         |
| Effects of currency translation on cash and cash equivalents |      | 271,043            | 175,461            |
| <b>End of financial year</b>                                 |      | <b>18,442,385</b>  | <b>12,382,781</b>  |

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 Australian Securities Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business 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 Financial Reporting Standards in Singapore ("FRSs") under the historical cost basis, except as disclosed in the accounting policies below.

The preparation of Group consolidation financial statements in conformity with FRSs 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 2019

On 1 April 2019, the Group has 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 Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of FRS 16 Leases:

#### Adoption of FRS 116 Leases

When the Group is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

On initial application of FRS 116, the Group has elected to apply the following practical expedients:

- i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under FRS 1-17 Lease and INT FRS 104 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under FRS 116; and
- ii) On a lease-by-lease basis, the Group has:
  - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

- b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
- e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Group chose to measure its ROU assets at a carrying amount as if FRS 116 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 April 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 April 2019 is not significant. Comparative information is not restated.
- (iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 April 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

The effects of adoption of FRS 116 on the Group's financial statements as at 1 April 2019 are as follows:

|                               | Increase<br>S\$ |
|-------------------------------|-----------------|
| Property, plant and equipment | 2,497,157       |
| Lease liabilities             | 2,497,157       |

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the statement of financial position as at 1 April 2019 are as follows :

|  | S\$              |
|--|------------------|
| Operating lease commitment disclosed as at 31 March 2019                         | 2,350,443        |
| Add: Undisclosed operating lease commitment                                      | 254,004          |
|  | <u>2,604,447</u> |
| Less: Discounting effect using weighted average incremental borrowing rate of 5% | (107,290)        |
| Add: Finance lease liabilities recognised as at 31 March 2019                    | 36,424           |
| Lease liabilities recognised as at 1 April 2019                                  | <u>2,533,581</u> |

### 2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Rendering of services

The Group provide program sales, events site rental income, digital production and advertising income. Revenue is recognised when the services have been performed and rendered.

#### (b) Sale of goods

The Group 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. Revenue is recognised when the goods are passed to the customers.

#### (c) Interest income

Interest income is recognised using the effective interest method.

#### (d) Dividend income

Dividend income is recognised when the right to receive payment is established. It is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 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 received 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.

### 2.4 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

### 2.5 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.

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

##### (ii) Acquisitions

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.

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" 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.5 Group accounting (continued)

#### (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.

##### (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.

## 2.6 Property, plant and equipment

### (a) Measurement

#### (i) Property, plant and equipment

Property, 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 property, 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.6 Property, plant and equipment (continued)

#### (b) Depreciation

Depreciation of property, 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 premises        | 1 to 3 years        |
| 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 property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, 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 property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and (losses)".

### 2.7 Intangible assets

#### (a) 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.

#### (b) Development of software

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

### 2.8 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.

### 2.9 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.9 Impairment of non-financial assets (continued)

#### (b) Intangible assets

*Property, plant and equipment*

*Right-of-use assets*

*Investments in subsidiaries and associated companies*

Intangible assets, property, plant and equipment, right-of-use assets 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, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

## 2.10 Financial assets

### (a) 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.

#### At subsequent measurement

##### (i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the contractual 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.10 Financial assets (continued)

#### (a) Classification and measurement (continued)

- **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".

#### (b) Expected credit losses

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when the contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### (c) 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.10 Financial assets (continued)

#### (d) 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.

### 2.11 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.

### 2.12 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 noncurrent liabilities.

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

### 2.13 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 reporting 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 reporting 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.

### 2.14 Leases

The accounting policy for lease before 1 April 2019 are as follows:

#### (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.

##### • 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 property, 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.

##### • 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.14 Leases (continued)

#### (b) When the Group is the lessor:

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

##### • 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.

The accounting policy for leases from 1 April 2019 are as follows:

#### (a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

##### • Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

##### • Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### • Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.14 Leases (continued)

#### (b) When the Group is the lessor:

The accounting policy applicable to the Group as a lessor in the comparative period were the same under FRS 16 except when the Group is an intermediate lessor.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

### 2.15 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 at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

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 end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

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.

### 2.16 Provisions

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.

### 2.17 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Significant accounting policies (continued)

### 2.17 Employee compensation (continued)

#### **Short-term compensated absences**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

#### **Employee share plan**

The Group maintained an incentive securities plan pursuant to which the Company can offer shares to eligible employees to subscribe at a discounted price. The discounted value, based on the difference between the issue price and the market price on the date of issuance, is recognised as expense in profit or loss.

### 2.18 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 reporting 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.

### 2.19 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.

### 2.20 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. 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.

### 2.21 Share capital

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

### 2.22 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 judgements in applying the entity's accounting policies

#### a. *Determination of lease term of contracts with extension options*

As at 31 March 2020, the Group's lease liabilities, which are measured with reference to an estimate of the lease term, amounted to S\$1,214,512, of which none arose from extension options. Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For leases of office premises, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities;
- Otherwise, the Group considers other factors including its costs required to obtain replacement assets, and business disruptions.

As at 31 March 2020, the Group did not include the extension option in the lease term for leases of office premises as it is not certain that the extension options will be exercised.

#### b. *Leases – estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

#### c) *Intangible assets*

Management's judgement is applied to depreciation rates and useful lives.

#### d) *Deferred tax assets*

Deferred tax assets in respect of current and prior period accumulated tax losses are not (unless related to overseas jurisdictions) recognised at balance sheet date as management has assessed that it is not probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax assets to be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 4. Revenue and investment income/(loss)

|   | Group              |                    |
|---|--------------------|--------------------|
|   | 2020               | 2019               |
|   | S\$                | S\$                |
| <b>Revenue</b>                                |                    |                    |
| <u>Type of good or service</u>                |                    |                    |
| Rendering of services                         |                    |                    |
| Financial education program sales             | 10,271,701         | 14,292,156         |
| Advertising income                            | 94,097             | 1,346,187          |
| Non-financial education program sales         | 508,999            | 4,113,544          |
| Others  | 990,108            | 179,201            |
| Digital marketing and production income       | -                  | 608,606            |
| Commission and referral income                | -                  | 2,338,728          |
|   | <b>11,864,905</b>  | <b>22,878,422</b>  |
| Sale of goods                                 | -                  | 2,466,802          |
| <b>Total revenue</b>                          | <b>11,864,905</b>  | <b>25,345,224</b>  |
| <u>Timing of transfer of good or service</u>  |                    |                    |
| At a point in time                            | 10,909,106         | 25,186,004         |
| Over time                                     | 955,799            | 159,240            |
|   | <b>11,864,905</b>  | <b>25,345,224</b>  |
| <b>Investment losses from public markets</b>  |                    |                    |
| Fair value loss on investment securities      | (3,334,810)        | (8,908,419)        |
| Gain on sale of investment securities         | 162,778            | 720,961            |
| Dividend income                               | 648,137            | 1,331,925          |
|   | <b>(2,523,895)</b> | <b>(6,855,533)</b> |
| <b>Investment income from private markets</b> |                    |                    |
| Net gain on disposal of subsidiaries          | 51,977             | 529,776            |
| Net gain on disposal of an associate          | 5,320              | -                  |
| <b>Total investment loss</b>                  | <b>(2,466,598)</b> | <b>(6,325,757)</b> |

## 5. Other gains and other income

|                                | Group          |                |
|--------------------------------|----------------|----------------|
|                                | 2020           | 2019           |
|                                | S\$            | S\$            |
| <b>Other gains</b>             |                |                |
| Gain on foreign exchange - net | <b>73,980</b>  | <b>88,511</b>  |
| <b>Other income</b>            |                |                |
| Interest income                | <b>207,524</b> | <b>357,468</b> |
| Others                         | <b>295,627</b> | <b>474,967</b> |
|                                | <b>503,151</b> | <b>832,435</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 6. Expenses by nature

|   | Group      |            |
|---|------------|------------|
|   | 2020       | 2019       |
|   | S\$        | S\$        |
| Audit fees paid to:   |            |            |
| - Auditors of the Company   | 111,067    | 85,333     |
| - Other auditors  | 36,981     | 177,937    |
| Non-audit fees paid to:   |            |            |
| - Auditors of the Company   | 14,558     | 14,040     |
| - Other auditors  | -          | 1,042      |
| Depreciation of property, plant and equipment (Note 13)   | 1,737,126  | 655,665    |
| Employee compensation (Note 7)  | 5,181,746  | 8,373,118  |
| Rental expense on operating leases  | 87,757     | 1,906,246  |
| Travelling expense  | 420,762    | 652,070    |
| Professional fees   | 279,333    | 516,102    |
| Commission  | 210,956    | 436,379    |
| Marketing expenses  | 2,715,998  | 5,334,865  |
| Credit card charges   | 543,391    | 706,650    |
| Trainer fees  | 206,435    | 2,071,183  |
| Event expenses  | 172,179    | 346,990    |
| Food catering expense   | 204,782    | 200,805    |
| Book and printing expenses  | 274,025    | 348,992    |
| Other program costs   | 158,152    | 1,339,482  |
| Investment related expense  | 189,140    | 126,971    |
| Corporate expenses  | 174,822    | 49,054     |
| Training costs  | 63,140     | 71,937     |
| AGM expenses  | 117,556    | 91,230     |
| Office expenses   | 206,458    | 309,485    |
| Advertising expenses  | -          | 2,187,125  |
| Amortisation of intangible assets   | 158,481    | 61,045     |
| Amortisation of prepayments   | -          | 50,000     |
| Information technology cost   | 472,637    | 248,483    |
| Property, plant and equipment written off   | -          | 33,343     |
| Prepayment written off  | -          | 275,000    |
| Bad debt written off  | 2,265      | -          |
| Investment impairment   | -          | 30,000     |
| Credit loss allowance   |            |            |
| - Trade receivables   | 62,635     | 36,103     |
| - Other receivables   | 47,983     | -          |
| Digital & media production costs  | 59,908     | 892,401    |
| Cost of inventories   | -          | 1,849,556  |
| Other expenses  | 509,520    | 1,620,510  |
| Total cost of sales and services, administrative expenses, marketing and other operating expenses | 14,419,793 | 31,099,142 |

## 7. Employee compensation

|   | Group     |           |
|---|-----------|-----------|
|   | 2020      | 2019      |
|   | S\$       | S\$       |
| Wages and salaries                                    | 4,354,538 | 7,200,623 |
| Employer's contribution to defined contribution plans | 531,612   | 785,262   |
| Other short-term benefits                             | 295,596   | 282,468   |
| Employee share plan                                   | -         | 104,765   |
|   | 5,181,746 | 8,373,118 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 8. Income taxes

### (a) Income tax expense

|  | Group           |                |
|--|-----------------|----------------|
|  | 2020            | 2019           |
|  | S\$             | S\$            |
| Tax expense attributable to profit is made up of:  |                 |                |
| - Loss for the financial year:                     |                 |                |
| Current income tax                                 |                 |                |
| - Singapore  | -               | 54,750         |
| - Foreign  | <b>233,019</b>  | <b>118,575</b> |
|  | <b>233,019</b>  | <b>173,325</b> |
| Deferred income tax (Note 22)                      | <b>(86,058)</b> | <b>34,606</b>  |
|  | <b>146,961</b>  | <b>207,931</b> |
| - (Over)/under provision in prior financial years: |                 |                |
| Current income tax                                 | <b>(5,358)</b>  | <b>124,614</b> |
| Deferred income tax (Note 22)                      | <b>9,587</b>    | <b>-</b>       |
|  | <b>151,190</b>  | <b>332,545</b> |

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

|  | Group              |                     |
|--|--------------------|---------------------|
|  | 2020               | 2019                |
|  | S\$                | S\$                 |
| Loss before income tax   | <b>(3,835,738)</b> | <b>(10,851,868)</b> |
| Share of loss/(profit) of an associated company, net of tax                    | <b>63,836</b>      | <b>(46,114)</b>     |
| <b>Loss before income tax and share of loss/(profit) of associated company</b> | <b>(3,771,902)</b> | <b>(10,897,982)</b> |
| Tax calculated at tax rate of 17% (2019: 17%)                                  | <b>(641,223)</b>   | <b>(1,852,657)</b>  |
| Effects of:  |                    |                     |
| - different tax rates in other countries                                       | <b>157,370</b>     | <b>101,875</b>      |
| - tax exemption  | <b>-</b>           | <b>(29,925)</b>     |
| - expenses not deductible for tax purposes                                     | <b>376,918</b>     | <b>1,080,161</b>    |
| - deferred tax assets not recognised   | <b>186,124</b>     | <b>835,103</b>      |
| - others   | <b>67,772</b>      | <b>73,374</b>       |
| - Under provision of tax in prior financial years                              | <b>4,229</b>       | <b>124,614</b>      |
| <b>Tax charge</b>  | <b>151,190</b>     | <b>332,545</b>      |

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

|   | Group            |                  |
|---|------------------|------------------|
|   | 2020             | 2019             |
|   | S\$              | S\$              |
| Beginning of financial year                     | <b>106,940</b>   | <b>(235,094)</b> |
| Disposal of subsidiaries                        | <b>-</b>         | <b>66,172</b>    |
| Income tax paid                                 | <b>249,843</b>   | <b>573,801</b>   |
| Tax expense                                     | <b>(233,019)</b> | <b>(173,325)</b> |
| Over/(under) provision in prior financial years | <b>5,358</b>     | <b>(124,614)</b> |
| End of financial year                           | <b>129,122</b>   | <b>106,940</b>   |

|                                | Group          |                  |
|--------------------------------|----------------|------------------|
|                                | 2020           | 2019             |
|                                | S\$            | S\$              |
| Current income tax asset       | <b>129,122</b> | <b>213,438</b>   |
| Current income tax liabilities | <b>-</b>       | <b>(106,498)</b> |
|                                | <b>129,122</b> | <b>106,940</b>   |

|  | Company        |              |
|--|----------------|--------------|
|  | 2020           | 2019         |
|  | S\$            | S\$          |
| Beginning of financial year              | <b>3,959</b>   | <b>3,959</b> |
| Under provision in prior financial years | <b>(3,959)</b> | <b>-</b>     |
| End of financial year                    | <b>-</b>       | <b>3,959</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 9. Earnings per share

|   | 2020               | 2019               |
|---|--------------------|--------------------|
| Net loss attributable to equity holders of the Company (S\$)                        | (3,679,184)        | (10,198,735)       |
| Weighted average number of ordinary shares outstanding for basic earnings per share | <u>361,898,001</u> | <u>362,482,465</u> |
| Basic earnings per share (S\$ per share)  | <u>(0.010)</u>     | <u>(0.028)</u>     |

## 10. Cash and cash equivalents

|                          | Group             |                   |
|--------------------------|-------------------|-------------------|
|                          | 2020<br>S\$       | 2019<br>S\$       |
| Cash at bank and on hand | 15,432,385        | 8,748,184         |
| Short-term bank deposits | <u>3,010,000</u>  | <u>3,634,597</u>  |
|                          | <u>18,442,385</u> | <u>12,382,781</u> |

|                          | Company          |                  |
|--------------------------|------------------|------------------|
|                          | 2020<br>S\$      | 2019<br>S\$      |
| Cash at bank and on hand | <u>8,100,084</u> | <u>1,111,714</u> |

### Disposal of a subsidiary

In November 2019, the Group disposed of its 61.2%-owned subsidiary (effective interest: 39.78%), Shanghai Rong Dao Culture Communication Co. Ltd. The effects of the disposal on the cash flows of the Group were:

|  | Group<br>At November<br>2019<br>S\$ |
|--|-------------------------------------|
| Carrying amounts of assets and liabilities as at the date of disposal: |                                     |
| Cash and cash equivalents  | 171,908                             |
| Property, plant and equipment  | 60,897                              |
| Trade and other receivables  | 919,931                             |
| Financial assets, at FVPL  | <u>3,993</u>                        |
| Total assets   | <u>1,156,729</u>                    |
| Trade and other payables   | 2,466                               |
| Unearned revenue   | <u>949,525</u>                      |
| Total liabilities  | <u>951,991</u>                      |
| Net assets derecognised  | 204,738                             |
| Less: Non-controlling interests  | <u>(123,293)</u>                    |
| Net assets disposed off  | <u>81,445</u>                       |
| Cash outflows arising from disposal:                                   |                                     |
| Net assets disposed off (as above)                                     | 81,445                              |
| Gain on disposal   | <u>51,977</u>                       |
| Cash proceeds on disposal  | 133,422                             |
| Less: Cash and cash equivalents in subsidiary disposed off             | <u>(171,908)</u>                    |
| Net cash outflow on disposal   | <u>(38,486)</u>                     |



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 11. Trade and other receivables

|                                    | <u>Group</u>     |           |
|------------------------------------|------------------|-----------|
|                                    | 2020             | 2019      |
|                                    | S\$              | S\$       |
| <b>Current</b>                     |                  |           |
| Trade receivables                  |                  |           |
| - Non-related parties (a)          | <b>455,836</b>   | 301,209   |
| Other receivables                  |                  |           |
| - Non-related parties (b)          | <b>618,237</b>   | 2,976,464 |
| - Others                           | <b>708,564</b>   | 676,331   |
| Deposits                           | <b>736,981</b>   | 529,547   |
| Prepayments                        | <b>202,199</b>   | 371,450   |
| Credit loss allowance (Note 26(b)) | <b>(193,949)</b> | (81,166)  |
|                                    | <b>2,527,868</b> | 4,773,835 |

|                       |                  |         |
|-----------------------|------------------|---------|
| <b>Non-current</b>    |                  |         |
| Other receivables (c) | <b>1,242,922</b> | 931,673 |

|                                    | <u>Company</u>   |            |
|------------------------------------|------------------|------------|
|                                    | 2020             | 2019       |
|                                    | S\$              | S\$        |
| <b>Current</b>                     |                  |            |
| Other receivables                  |                  |            |
| - Non-related parties (b)          | <b>618,237</b>   | 2,976,464  |
| - Subsidiaries (d)                 | <b>4,274,318</b> | 10,060,349 |
| - Others                           | <b>24,150</b>    | 8,195      |
| Prepayments                        | <b>45,526</b>    | 46,936     |
| Credit loss allowance (Note 26(b)) | <b>(56,412)</b>  | (6,264)    |
|                                    | <b>4,905,819</b> | 13,085,680 |

|                       |                  |         |
|-----------------------|------------------|---------|
| <b>Non-current</b>    |                  |         |
| Other receivables (c) | <b>1,242,922</b> | 947,240 |

- (a) Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. There is no other class of financial assets that is past due and/or impaired except for trade receivables.

### Receivables that were past due but not impaired

The Group has trade receivables amounting to S\$25,816 as at 31 March 2020 and S\$138,709 as at 1 April 2019 that are past due but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

|  | <u>Group</u>  |         |
|--|---------------|---------|
|  | 2020          | 2019    |
|  | S\$           | S\$     |
| Trade receivables past due but not impaired: |               |         |
| Lesser than 30 days                          | <b>12,977</b> | 30,468  |
| 31-60 days                                   | <b>12,839</b> | 58,903  |
| More than 60 days                            | -             | 49,338  |
|  | <b>25,816</b> | 138,709 |

### Receivable that were past due but impaired

There were no receivable that were past due and impaired.

### Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

|                                | <u>Group</u>   |           |
|--------------------------------|----------------|-----------|
|                                | 2020           | 2019      |
|                                | S\$            | S\$       |
| Movement in allowance accounts |                |           |
| At 1 April                     | <b>74,902</b>  | 163,421   |
| Charge for the year            | <b>62,635</b>  | 36,103    |
| Disposal of subsidiaries       | -              | (124,622) |
|                                | <b>137,537</b> | 74,902    |

- (b) Included in the current other receivable is a loan made to a non-related developer amounting to S\$561,825 (2019: S\$532,125). The loan is secured by guarantee, bears interest at 6% per annum and is repayable in full by December 2020.
- (c) Non-current other receivables fair value approximates carrying amount. Included in the non-current other receivables are loans to third parties of S\$1,242,922 (2019: S\$691,673). The loans bear interest at 4.5% to 6% per annum.
- (d) Transactions with subsidiaries were made on normal commercial terms and conditions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 12. Financial assets, at FVPL

|   | <u>Group</u>      |                   |
|---|-------------------|-------------------|
|   | 2020              | 2019              |
|   | S\$               | S\$               |
| <i>Fair value through profit or loss:</i> |                   |                   |
| Listed securities                         |                   |                   |
| - Equity securities - Australia           | 528,468           | 4,882,521         |
| - Equity securities - Japan               | 549,892           | 1,933,177         |
| - Equity securities - India               | 1,012,069         | 3,004,606         |
| - Equity securities - China               | 1,408,367         | 1,241,926         |
| - Equity securities - Hong Kong           | 4,457,406         | 976,430           |
| - Equity securities - America             | 214,609           | 300,568           |
| - Equity securities - Taiwan              | 5,395,630         | 6,626,373         |
| - Equity securities - Malaysia            | 187,696           | 181,542           |
| - Equity securities - Singapore           | 604,344           | 1,232,005         |
|   | <b>14,358,481</b> | <b>20,379,148</b> |

|   | <u>Company</u> |               |
|---|----------------|---------------|
|   | 2020           | 2019          |
|   | S\$            | S\$           |
| <i>Fair value through profit or loss:</i> |                |               |
| Listed securities                         |                |               |
| - Equity securities - Japan               | 26,751         | -             |
| - Equity securities - Hong Kong           | 5,290          | -             |
| - Equity securities - Singapore           | -              | 46,444        |
|   | <b>32,041</b>  | <b>46,444</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 13. Property, plant and equipment

|                                  | Office<br>premises<br>S\$ | Office<br>equipment<br>S\$ | Furniture and<br>fittings<br>S\$ | Motor<br>vehicles<br>S\$ | Total<br>S\$     |
|----------------------------------|---------------------------|----------------------------|----------------------------------|--------------------------|------------------|
| <b>Group</b>                     |                           |                            |                                  |                          |                  |
| <b>2020</b>                      |                           |                            |                                  |                          |                  |
| <b>Cost</b>                      |                           |                            |                                  |                          |                  |
| Beginning of financial year      | -                         | 563,158                    | 1,282,626                        | 104,128                  | 1,949,912        |
| Adoption of FRS 116 (Note 2.1)   | 2,497,157                 | -                          | -                                | -                        | 2,497,157        |
|                                  | 2,497,157                 | 563,158                    | 1,282,626                        | 104,128                  | 4,447,069        |
| Currency translation differences | 8,693                     | (1,829)                    | 484                              | (345)                    | 7,003            |
| Disposal of subsidiaries         | -                         | (64,397)                   | (65,393)                         | -                        | (129,790)        |
| Additions                        | 70,928                    | 95,665                     | 102,965                          | -                        | 269,558          |
| <b>End of financial year</b>     | <b>2,576,778</b>          | <b>592,597</b>             | <b>1,320,682</b>                 | <b>103,783</b>           | <b>4,593,840</b> |
| <b>Accumulated depreciation</b>  |                           |                            |                                  |                          |                  |
| Beginning of financial year      | -                         | 454,278                    | 802,026                          | 67,683                   | 1,323,987        |
| Adoption of FRS 116              | -                         | -                          | -                                | -                        | -                |
|                                  | -                         | 454,278                    | 802,026                          | 67,683                   | 1,323,987        |
| Currency translation differences | 6,256                     | (1,239)                    | (1,274)                          | (116)                    | 3,627            |
| Disposal of subsidiaries         | -                         | (38,663)                   | (30,230)                         | -                        | (68,893)         |
| Depreciation charge (Note 6)     | 1,381,191                 | 77,632                     | 257,654                          | 20,649                   | 1,737,126        |
| <b>End of financial year</b>     | <b>1,387,447</b>          | <b>492,008</b>             | <b>1,028,176</b>                 | <b>88,216</b>            | <b>2,995,847</b> |
| <b>Net book value</b>            |                           |                            |                                  |                          |                  |
| <b>End of financial year</b>     | <b>1,189,331</b>          | <b>100,589</b>             | <b>292,506</b>                   | <b>15,567</b>            | <b>1,597,993</b> |
| <b>2019</b>                      |                           |                            |                                  |                          |                  |
| <b>Cost</b>                      |                           |                            |                                  |                          |                  |
| Beginning of financial year      | -                         | 775,657                    | 1,464,815                        | 181,616                  | 2,422,088        |
| Currency translation differences | -                         | (6,753)                    | (10,442)                         | (4,735)                  | (21,930)         |
| Disposal of subsidiary           | -                         | (224,165)                  | (261,181)                        | (164,253)                | (649,599)        |
| Additions                        | -                         | 114,126                    | 172,019                          | 91,500                   | 377,645          |
| Written off                      | -                         | (95,707)                   | (82,585)                         | -                        | (178,292)        |
| <b>End of financial year</b>     | <b>-</b>                  | <b>563,158</b>             | <b>1,282,626</b>                 | <b>104,128</b>           | <b>1,949,912</b> |
| <b>Accumulated depreciation</b>  |                           |                            |                                  |                          |                  |
| Beginning of financial year      | -                         | 419,154                    | 559,878                          | 86,590                   | 1,065,622        |
| Currency translation differences | -                         | (2,657)                    | (5,056)                          | (2,872)                  | (10,585)         |
| Disposal of subsidiary           | -                         | (33,885)                   | (149,064)                        | (58,817)                 | (241,766)        |
| Depreciation charge (Note 6)     | -                         | 158,642                    | 454,241                          | 42,782                   | 655,665          |
| Written off                      | -                         | (86,976)                   | (57,973)                         | -                        | (144,949)        |
| <b>End of financial year</b>     | <b>-</b>                  | <b>454,278</b>             | <b>802,026</b>                   | <b>67,683</b>            | <b>1,323,987</b> |
| <b>Net book value</b>            |                           |                            |                                  |                          |                  |
| <b>End of financial year</b>     | <b>-</b>                  | <b>108,880</b>             | <b>480,600</b>                   | <b>36,445</b>            | <b>625,925</b>   |

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 19(a).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 14. Intangible assets

|                                      | Group          |                |
|--------------------------------------|----------------|----------------|
|                                      | 2020           | 2019           |
|                                      | S\$            | S\$            |
| <b>Composition:</b>                  |                |                |
| Goodwill (a)                         | -              | -              |
| Software Development Expenditure (b) | 430,439        | 183,138        |
|                                      | <b>430,439</b> | <b>183,138</b> |

### (a) Goodwill arising on consolidation

|                               | Group              |                    |
|-------------------------------|--------------------|--------------------|
|                               | 2020               | 2019               |
|                               | S\$                | S\$                |
| <b>Cost</b>                   |                    |                    |
| Beginning of financial year   | 1,676,119          | 1,688,861          |
| Disposal of a subsidiary      | -                  | (12,742)           |
| End of financial year         | <b>1,676,119</b>   | <b>1,676,119</b>   |
| <b>Accumulated impairment</b> |                    |                    |
| Beginning of financial year   | (1,676,119)        | -                  |
| Impairment charge             | -                  | (1,676,119)        |
| End of financial year         | <b>(1,676,119)</b> | <b>(1,676,119)</b> |
| <b>Net book value</b>         | <b>-</b>           | <b>-</b>           |

### (b) Software Development Expenditure

|                                 | Group          |                |
|---------------------------------|----------------|----------------|
|                                 | 2020           | 2019           |
|                                 | S\$            | S\$            |
| <b>Cost</b>                     |                |                |
| Beginning of financial year     | 244,183        | -              |
| Additions                       | 405,782        | 244,183        |
| End of financial year           | <b>649,965</b> | <b>244,183</b> |
| <b>Accumulated amortisation</b> |                |                |
| Beginning of financial year     | 61,045         | -              |
| Amortisation charge             | 158,481        | 61,045         |
| End of financial year           | <b>219,526</b> | <b>61,045</b>  |
| <b>Net book value</b>           | <b>430,439</b> | <b>183,138</b> |

Amortisation expense included in the statement of comprehensive income is analysed as follows:

|                         | Group          |               |
|-------------------------|----------------|---------------|
|                         | 2020           | 2019          |
|                         | S\$            | S\$           |
| Administrative expenses | <b>158,481</b> | <b>61,045</b> |

## 15. Investment in an associated company

|  | Group            |                  |
|--|------------------|------------------|
|  | 2020             | 2019             |
|  | S\$              | S\$              |
| <b>Investment in an associated company</b>   | <b>-</b>         | <b>1,294,603</b> |
| Beginning of financial year                  | <b>1,294,603</b> | 1,263,908        |
| Share of profit/(loss) of associated company | (29,652)         | 46,114           |
| Disposal                                     | (1,270,680)      | -                |
| Translation difference                       | 5,729            | (15,419)         |
| <b>End of financial year</b>                 | <b>-</b>         | <b>1,294,603</b> |

In January 2020, the Group disposed the associated company, CT Hardware Sdn Bhd for a consideration of S\$1,276,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 16. Investments in subsidiaries

|                                   | <u>Company</u>    |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | 2020              | 2019              |
|                                   | S\$               | S\$               |
| <b>Equity investments at cost</b> |                   |                   |
| Beginning of financial year       | 18,125,797        | 28,288,147        |
| Increase in investment            | 200,653           | 1,719,288         |
| Impairment of investment          | (2,647,688)       | (11,881,638)      |
| <b>End of financial year</b>      | <b>15,678,762</b> | <b>18,125,797</b> |

In prior year, the Company had provided an impairment loss of S\$11,881,638 representing the write-down of the carrying value of the subsidiaries to the recoverable amount as the investment no longer represented by the Company's interest in net assets of the investees.

The Group has the following subsidiaries as at 31 March 2020 and 2019:

| Name  | Principal activities                                   | Country of business/<br>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 |      |  |
|---|--|---------------------------------------|---|------|---|------|---|------|--|
|   |  |                                       | 2020  | 2019 | 2020  | 2019 | 2020  | 2019 |  |
|   |  |                                       | %   | %    | %   | %    | %   | %    |  |
| <b>Held by the Company:</b>                                       |  |                                       |   |      |   |      |   |      |  |
| 8 Investment Pte. Ltd.  | Business management consultancy                        | Singapore                             | 100   | 100  | 100   | 100  | -   | -    |  |
| Hidden Champions Capital Management Pte. Ltd.                     | Registered fund management company                     | Singapore                             | 100   | 100  | 100   | 100  | -   | -    |  |
| 8IH Global Limited  | Investment trading                                     | Mauritius                             | 100   | 100  | 100   | 100  | -   | -    |  |
| 8VIC Holdings Limited   | Investment holding and management consultancy services | Singapore                             | 79.9  | 79.9 | 79.9  | 79.9 | 20.1  | 20.1 |  |
| 8Bit Global Pte. Ltd.   | Computer programming and data processing and hosting   | Singapore                             | 42  | 50   | 82.8  | 85.5 | 17.2  | 14.5 |  |
| 8 Business Pte. Ltd.  | Dormant  | Singapore                             | 100   | 100  | 100   | 100  | -   | -    |  |
| <b>Held through 8VIC Holdings Limited</b>                         |  |                                       |   |      |   |      |   |      |  |
| 8VI Global Pte. Ltd. (formerly known as 8VIC Global Pte. Limited) | Seminar and programs organiser                         | Singapore                             | -   | -    | 79.9  | 79.9 | 20.1  | 20.1 |  |
| <b>Held through 8VI Global Pte. Ltd</b>                           |  |                                       |   |      |   |      |   |      |  |
| 8VIC Malaysia Sdn. Bhd.   | Seminar and programs organiser                         | Malaysia                              | -   | -    | 79.9  | 79.9 | 20.1  | 20.1 |  |
| 8VIC Taiwan Co., Ltd  | Seminar and programs organiser                         | Taiwan                                | -   | -    | 55.9  | 55.9 | 44.1  | 44.1 |  |
| 8VIC (Thailand) Company Limited                                   | Seminar and programs organiser                         | Thailand                              | -   | -    | 72.3  | 55.9 | 27.7  | 44.1 |  |
| 8VI China Pte. Ltd. (formerly known as 8IH China Pte. Ltd.)       | Business management consultancy                        | Singapore                             | -   | -    | 52  | 65   | 48  | 35   |  |
| 8VIC (Australia) Pty Ltd  | Dormant  | Australia                             | -   | -    | 79.9  | 71.9 | 20.1  | 28.1 |  |
| 8VIC Singapore Pte. Ltd.  | Dormant  | Singapore                             | -   | -    | 79.9  | 47.9 | 20.1  | 52.1 |  |
| Value Investing College Pte. Ltd.                                 | Dormant  | Singapore                             | -   | -    | 79.9  | 79.9 | 20.1  | 20.1 |  |



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 16. Investments in subsidiaries (continued)

The Group has the following subsidiaries as at 31 March 2020 and 2019: (continued)

| Name  | Principal activities                         | Country of business/<br>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 |      |
|---|--|---------------------------------------|---|------|---|------|---|------|
|   |  |                                       | 2020  | 2019 | 2020  | 2019 | 2020  | 2019 |
|   |  |                                       | %   | %    | %   | %    | %   | %    |
| <b>Held through 8VIC Malaysia Sdn. Bhd.</b>                     |  |                                       |   |      |   |      |   |      |
| 8VIC JooY Media Sdn. Bhd.                                       | Agency and media                             | Malaysia                              | -   | -    | 55.9  | 55.9 | 44.1  | 44.1 |
| <b>Held through 8VI China Pte. Ltd.</b>                         |  |                                       |   |      |   |      |   |      |
| 8IH China (Shanghai) Co. Ltd<br>信益安（上海）实业有限公司                   | Business and management consultancy services | People’s Republic of China            | -   | -    | 52  | 65   | 48  | 35   |
| Shanghai Rong Dao Culture Communication Co. Ltd<br>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 |
| <b>Held through 8 Investment Pte. Ltd.</b>                      |  |                                       |   |      |   |      |   |      |
| Vue at Red Hill Pte. Ltd.                                       | Dormant                                      | Singapore                             | -   | -    | 100   | 100  | -   | -    |
| Fusion 462 Pte. Ltd.  | Struck off                                   | Singapore                             | -   | -    | -   | 100  | -   | -    |
| Oxford Views Pte. Ltd.  | Struck off                                   | Singapore                             | -   | -    | -   | 100  | -   | -    |
| <b>Held through 8IH Global Limited</b>                          |  |                                       |   |      |   |      |   |      |
| Hidden Champions Fund   | Investment trading                           | Mauritius                             | -   | -    | 100   | 100  | -   | -    |

### Significant restrictions

Cash and short-term deposits of S\$130,608 (2019: S\$337,646) 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.

|  | 2020<br>S\$      | 2019<br>S\$    |
|--|------------------|----------------|
| <b>Carrying value of non-controlling interests</b> |                  |                |
| 8VIC Holdings Limited and its subsidiaries         | 1,058,535        | 1,091,789      |
| Others   | -                | (335,087)      |
| <b>Total</b>                                       | <b>1,058,535</b> | <b>756,702</b> |

### 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

|                                     | 8VIC Holdings Limited and its subsidiaries<br>31 March 2020<br>S\$ | 8VIC Holdings Limited and its subsidiaries<br>31 March 2019<br>S\$ |
|-------------------------------------|--|--|
| <b>Current</b>                      |  |  |
| Assets                              | 9,691,674  | 6,401,544  |
| Liabilities                         | (6,757,125)  | (3,161,976)  |
| <b>Total current net assets</b>     | <b>2,934,549</b>   | <b>3,239,568</b>   |
| <b>Non-current</b>                  |  |  |
| Assets                              | 2,284,393  | 856,468  |
| Liabilities                         | (71,574)   | (21,857)   |
| <b>Total non-current net assets</b> | <b>2,212,819</b>   | <b>834,611</b>   |
| <b>Net assets</b>                   | <b>5,147,368</b>   | <b>4,074,179</b>   |
| <b>Non-controlling interests</b>    | <b>243,255</b>   | <b>303,138</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 16. Investments in subsidiaries (continued)

### Summarised statement of comprehensive income

|  | 8VIC Holdings<br>Limited and<br>its<br>subsidiaries<br>For period<br>ended<br>31 March<br>2020<br>S\$ | 8VIC Holdings<br>Limited and<br>its<br>subsidiaries<br>For period<br>ended 31<br>March<br>2019<br>S\$ |
|--|---|---|
| Revenue  | 10,859,351  | 22,291,337  |
| Profit/(loss) before income tax  | 868,751   | (4,329,146)   |
| Income tax expense   | (89,330)  | (386,518)   |
| Profit/(loss) for the year   | 779,421   | (4,715,664)   |
| Total comprehensive (loss)/income<br>allocated to non-controlling<br>interests | (256,760)   | 147,128   |

### Summarised statement of cash flows

|  | 8VIC Holdings<br>Limited and<br>its<br>subsidiaries<br>31 March<br>2020<br>S\$ | 8VIC Holdings<br>Limited and<br>its<br>subsidiaries<br>31 March<br>2019<br>S\$ |
|--|--|--|
| Cash flows from operating activities                           |  |  |
| Cash provided by/(used in)<br>operations                       | 4,101,416  | (1,041,080)  |
| Interest income received                                       | 12,704   | 58,073   |
| Dividend received  | 6,511  | 6,674  |
| Income tax paid  | (191,061)  | (426,276)  |
| Net cash provided by/(used in)<br>operating activities         | 3,929,570  | (1,402,609)  |
| Net cash provided by/(used in)<br>investing activities         | 274,307  | (2,445,556)  |
| Net cash used in financing activities                          | (1,474,008)  | (20,888)   |
| Net increase/(decrease) in cash and<br>cash equivalents        | 2,729,869  | (3,869,053)  |
| Cash and cash equivalents at<br>beginning of year              | 4,702,031  | 8,569,179  |
| Effect of currency translation on cash<br>and cash equivalents | 1,690  | 1,905  |
| Cash and cash equivalents at end of<br>year                    | 7,433,590  | 4,702,031  |

### Current year disposal of a subsidiary

In November 2019, the Group disposed of its 61.2%-owned subsidiary, Shanghai Rong Dao Culture Communication Co. Ltd. ("Rong Dao"). The effects of the disposal were as follows:

|  | 2020<br>S\$ |
|--|-------------|
| Cash consideration                                     | 133,422     |
| Carrying amounts of assets and liabilities disposed of |             |
| Cash and cash equivalents                              | 171,908     |
| Property, plant and equipment                          | 60,897      |
| Trade and other receivables                            | 919,931     |
| Financial assets, at FVPL                              | 3,993       |
| Trade and other payables                               | (2,466)     |
| Unearned revenue                                       | (949,525)   |
| Net assets derecognised                                | 204,738     |
| Less: Non-controlling interests                        | (123,293)   |
| Net assets disposed off                                | 81,445      |
| Gain from sale of Rong Dao                             | 51,977      |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 17. Financial assets, at FVOCI

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.

|   | Group            |                  |
|---|------------------|------------------|
|   | 2020             | 2019             |
|   | S\$              | S\$              |
| Beginning of financial year   | 1,698,880        | 1,751,877        |
| Additions   | -                | 1,039,897        |
| Disposal  | (115,049)        | -                |
| Disposal of subsidiaries  | -                | (103,388)        |
| Fair value losses recognised in other comprehensive income (Note 24(i)) | (317,570)        | (989,506)        |
| <b>End of financial year</b>  | <b>1,266,261</b> | <b>1,698,880</b> |

|                              | Company          |                  |
|------------------------------|------------------|------------------|
|                              | 2020             | 2019             |
|                              | S\$              | S\$              |
| Beginning of financial year  | 1,033,529        | -                |
| Additions                    | 43,950           | 1,033,529        |
| <b>End of financial year</b> | <b>1,077,479</b> | <b>1,033,529</b> |

Financial assets at FVOCI are analysed as follows:

|                     | Group            |                  |
|---------------------|------------------|------------------|
|                     | 2020             | 2019             |
|                     | S\$              | S\$              |
| Listed securities   | 174,903          | 651,472          |
| Unlisted securities | 1,091,358        | 1,047,408        |
| <b>Total</b>        | <b>1,266,261</b> | <b>1,698,880</b> |

|                     | Company          |                  |
|---------------------|------------------|------------------|
|                     | 2020             | 2019             |
|                     | S\$              | S\$              |
| Listed securities   | -                | -                |
| Unlisted securities | 1,077,479        | 1,033,529        |
| <b>Total</b>        | <b>1,077,479</b> | <b>1,033,529</b> |

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long term appreciation.

## 18. Trade and other payables

|                                       | Group            |                  |
|---------------------------------------|------------------|------------------|
|                                       | 2020             | 2019             |
|                                       | S\$              | S\$              |
| <i>Current</i>                        |                  |                  |
| Trade payables – non-related parties  | 297,310          | 268,479          |
| Accruals for operating expenses       | 915,422          | 715,974          |
| GST payable                           | 130,684          | 6,546            |
| Other payables                        | 424,567          | 539,855          |
| <b>Total trade and other payables</b> | <b>1,767,983</b> | <b>1,530,854</b> |

|                                       | Company        |                |
|---------------------------------------|----------------|----------------|
|                                       | 2020           | 2019           |
|                                       | S\$            | S\$            |
| <i>Current</i>                        |                |                |
| Trade payables – non-related parties  | 7,019          | 17,969         |
| Accruals for operating expenses       | 57,122         | 49,561         |
| Other payables                        | 73,315         | 73,953         |
| <b>Total trade and other payables</b> | <b>137,456</b> | <b>141,483</b> |

Trade payables are non-interest bearing and are normally settled on 30-day terms.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 19. Leases – the Group as a lessee

|              | Group            |               |
|--------------|------------------|---------------|
|              | 2020             | 2019          |
|              | S\$              | S\$           |
| Current      | 1,146,938        | 18,566        |
| Non-current  | 67,574           | 17,857        |
| <b>Total</b> | <b>1,214,512</b> | <b>36,423</b> |

### Nature of the Group's leasing activities

The Group leases office premises for the purpose of running financial education programmes and back office operations.

#### (a) Carrying amounts

ROU assets classified within Property, plant and equipment

|                 | 31 March<br>2020<br>S\$ | 1 April<br>2019<br>S\$ |
|-----------------|-------------------------|------------------------|
| Office premises | 1,189,331               | 2,497,157              |

#### (b) Depreciation charged during the year

|                 | 2020<br>S\$ |
|-----------------|-------------|
| Office premises | 1,381,191   |

#### (c) Interest expense

|                                       |        |
|---------------------------------------|--------|
| Interest expense on lease liabilities | 80,429 |
|---------------------------------------|--------|

#### (d) Lease expense not capitalised in lease liabilities

|                                  |        |
|----------------------------------|--------|
| Lease expense – low-value leases | 87,757 |
|----------------------------------|--------|

#### (e) Total income for subleasing ROU assets in the financial year 2020 was S\$154,783.

#### (f) Total cash outflow for all the leases in the financial year 2020 was S\$1,474,008.

#### (g) Addition of ROU assets during the financial year 2020 was S\$70,928

#### (h) There are no future cash outflow which are not capitalised in lease liabilities.

#### (i) Reconciliation of lease liabilities arising from financing activities

|                                 | 2020<br>S\$      | 2019<br>S\$   |
|---------------------------------|------------------|---------------|
| Beginning of financial year     | 36,423           | 91,270        |
| Principal and interest payments | (1,474,008)      | (16,531)      |
| Non-cash changes                |                  |               |
| - Adoption of FRS 116           | 2,497,157        | -             |
| - Addition during the year      | 70,928           | 48,556        |
| - Disposal of subsidiary        | -                | (103,402)     |
| - Interest expense              | 81,574           | 16,531        |
| - Foreign exchange movement     | 2,438            | 1             |
| <b>End of financial year</b>    | <b>1,214,512</b> | <b>36,423</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 20. Unearned revenue

|                        | Group            |                  |
|------------------------|------------------|------------------|
|                        | 2020             | 2019             |
|                        | S\$              | S\$              |
| Advances from customer | 3,696,702        | 3,072,795        |
| Deferred grant income  | 273,050          | -                |
|                        | <b>3,969,752</b> | <b>3,072,795</b> |
|                        | Company          |                  |
|                        | 2020             | 2019             |
|                        | S\$              | S\$              |
| Advances from customer | -                | 38,110           |
| Deferred grant income  | 24,150           | -                |
|                        | <b>24,150</b>    | <b>38,110</b>    |

Advances from customer represent 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

|   | Group            |                  |
|---|------------------|------------------|
|   | 2020             | 2019             |
|   | S\$              | S\$              |
| As at beginning of year   | 5,582,278        | 7,035,922        |
| Proceeds received from fund's non-controlling unit holders                        | -                | 705,028          |
| Payment to fund's non-controlling unit holders                                    | (1,180,311)      | (463,304)        |
| Share of loss attributable to the unit holders of redeemable participating shares | (719,846)        | (1,953,397)      |
| Currency translation differences  | 245,565          | 258,029          |
| <b>As at end of year</b>  | <b>3,927,686</b> | <b>5,582,278</b> |

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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>   |         |
|--|----------------|---------|
|  | 2020           | 2019    |
|  | S\$            | S\$     |
| <b>Deferred income tax assets</b>      |                |         |
| - To be settled within one year        | <b>264,331</b> | 178,865 |
| <b>Deferred income tax liabilities</b> |                |         |
| - To be settled within one year        | <b>(4,000)</b> | (4,000) |

Movement in deferred income tax account is as follows:

|                                  | <u>Group</u>   |          |
|----------------------------------|----------------|----------|
|                                  | 2020           | 2019     |
|                                  | S\$            | S\$      |
| Beginning of financial year      | <b>174,865</b> | 124,314  |
| Currency translation differences | <b>8,995</b>   | (4,434)  |
| Disposal of a subsidiary         | -              | 89,591   |
| Tax charged to                   |                |          |
| - profit or loss (Note 8(a))     | <b>76,471</b>  | (34,606) |
| <b>End of financial year</b>     | <b>260,331</b> | 174,865  |

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\$9,440,000 (2019: S\$8,541,000) at the reporting 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*

|                                     | Accelerated<br>tax<br><u>depreciation</u><br>S\$ | Fair value<br><u>gains - net</u><br>S\$ | <u>Total</u><br>S\$ |
|-------------------------------------|--|---|---------------------|
| <b>2020</b>                         |  |   |                     |
| Beginning and end of financial year | <b>(4,000)</b>                                   | -                                       | <b>(4,000)</b>      |

#### **2019**

|                              |                |          |                |
|------------------------------|----------------|----------|----------------|
| Beginning of financial year  | (24,289)       | (69,302) | (93,591)       |
| Disposal of subsidiaries     | 20,289         | 69,302   | 89,591         |
| <b>End of financial year</b> | <b>(4,000)</b> | -        | <b>(4,000)</b> |

#### *Deferred income tax assets*

|                                  | Accelerated<br>tax<br><u>depreciation</u><br>S\$ | Unearned<br><u>Revenue</u><br>S\$ | <u>Total</u><br>S\$ |
|----------------------------------|--|-----------------------------------|---------------------|
| <b>2020</b>                      |  |                                   |                     |
| Beginning of financial year      | <b>5,528</b>                                     | <b>173,337</b>                    | <b>178,865</b>      |
| Currency translation differences | <b>278</b>                                       | <b>8,717</b>                      | <b>8,995</b>        |
| Charged to profit or loss        | <b>(3,433)</b>                                   | <b>79,904</b>                     | <b>76,471</b>       |
| <b>End of financial year</b>     | <b>2,373</b>                                     | <b>261,958</b>                    | <b>264,331</b>      |

#### **2019**

|                                  |              |                |                |
|----------------------------------|--------------|----------------|----------------|
| Beginning of financial year      | 5,643        | 212,262        | 217,905        |
| Currency translation differences | (115)        | (4,319)        | (4,434)        |
| Charged to profit or loss        | -            | (34,606)       | (34,606)       |
| <b>End of financial year</b>     | <b>5,528</b> | <b>173,337</b> | <b>178,865</b> |



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 23. Share capital

|                              | Number of<br>shares | Amount<br>S\$     |
|------------------------------|---------------------|-------------------|
| <b>Group and Company</b>     |                     |                   |
| <b>2020</b>                  |                     |                   |
| Beginning of financial year  | 362,388,157         | 34,491,447        |
| Shares buy-back              | (629,062)           | (35,806)          |
| <b>End of financial year</b> | <b>361,759,095</b>  | <b>34,455,641</b> |
| <b>2019</b>                  |                     |                   |
| Beginning of financial year  | 361,978,585         | 34,422,910        |
| Shares issued                | 1,562,822           | 205,341           |
| Shares buy-back              | (1,153,250)         | (136,804)         |
| <b>End of financial year</b> | <b>362,388,157</b>  | <b>34,491,447</b> |

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company acquired 629,062 (2019: 1,153,250) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was \$35,806 (2019: \$136,804).

In financial year 2019, the Company issued 1,562,822 ordinary shares, at the exercise price of AUD 0.065 each, pursuant to the Employee Share Plan as approved at the general meeting of shareholders held on 22 November 2017. The cost of the newly issued shares amounted to S\$205,341. The newly issued shares rank pari passu in all respects with the previously issued shares.

## 24. Other reserves

|                              | Group               |                     |
|------------------------------|---------------------|---------------------|
|                              | 2020<br>S\$         | 2019<br>S\$         |
| <b>Composition:</b>          |                     |                     |
| Fair value reserve           | (11,395,788)        | (11,078,218)        |
| Currency translation reserve | (47,644)            | (405,377)           |
| Capital reserve              | (2,310,515)         | (2,309,547)         |
|                              | <b>(13,753,947)</b> | <b>(13,793,142)</b> |

**Movements:**

|  |                     |                     |
|--|---------------------|---------------------|
| <b>(i) Fair value reserve</b>                                |                     |                     |
| Beginning of financial year                                  | (11,078,218)        | (10,088,712)        |
| Financial assets through other comprehensive income          |                     |                     |
| - Fair value losses from financial assets at FVOCI (Note 17) | (317,570)           | (989,506)           |
| <b>End of financial year</b>                                 | <b>(11,395,788)</b> | <b>(11,078,218)</b> |

|   |                 |                  |
|---|-----------------|------------------|
| <b>(ii) Currency translation reserve</b>  |                 |                  |
| Beginning of financial year   | (405,377)       | (913,252)        |
| Net currency translation differences of financial statements of foreign subsidiaries and associated companies | 357,733         | 507,969          |
| Disposal of subsidiaries  | -               | (94)             |
| <b>End of financial year</b>  | <b>(47,644)</b> | <b>(405,377)</b> |

|  |                    |                    |
|--|--------------------|--------------------|
| <b>(iii) Capital reserve</b>   |                    |                    |
| Beginning of financial year  | (2,309,547)        | 132,424            |
| Disposal of subsidiaries   | (420,392)          | (1,977,690)        |
| Increase/(decrease) in equity attributable to non-controlling interest | 419,424            | (464,281)          |
| <b>End of financial year</b>   | <b>(2,310,515)</b> | <b>(2,309,547)</b> |

|                     | Company            |                    |
|---------------------|--------------------|--------------------|
|                     | 2020<br>S\$        | 2019<br>S\$        |
| <b>Composition:</b> |                    |                    |
| Fair value reserve  | (424,071)          | (424,071)          |
| Capital reserve     | (1,638,846)        | (1,638,846)        |
|                     | <b>(2,062,917)</b> | <b>(2,062,917)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 25. 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.

As at 31 March 2019, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

|                            | 2019<br>S\$      |
|----------------------------|------------------|
| Not later than one year    | 1,164,000        |
| Between one and five years | 1,186,000        |
|                            | <u>2,350,000</u> |

As disclosed in Note 2.1, the Group has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as ROU assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low value leases.

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

The Group lease out office rental space to a non-related party under non-cancellable operating lease agreement. The lessee is required to pay absolute fixed monthly office lease.

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

|                         | Group         |             |
|-------------------------|---------------|-------------|
|                         | 2020<br>S\$   | 2019<br>S\$ |
| Not later than one year | <u>70,000</u> | 70,000      |

## 26. 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 primarily Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD"), United States Dollar ("USD"), Chinese Renminbi ("RMB"), Hong Kong Dollar ("HKD"), 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. 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:

|   | MYR<br>S\$       | AUD<br>S\$       | USD<br>S\$         | RMB<br>S\$       | HKD<br>S\$       | JPY<br>S\$       | NTD<br>S\$       | INR<br>S\$       |
|---|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|
| <b>At 31 March 2020</b>   |                  |                  |                    |                  |                  |                  |                  |                  |
| <b>Financial assets</b>   |                  |                  |                    |                  |                  |                  |                  |                  |
| Cash and cash equivalents,<br>financial assets, at FVPL<br>and financial assets, at<br>FVOCI  | 1,332,540        | 794,410          | 5,767,737          | 1,665,727        | 4,457,406        | 549,892          | 5,474,437        | 1,012,069        |
| Trade and other<br>receivables  | 170,435          | -                | 17,186             | 66,164           | -                | -                | 335,268          | -                |
|   | <b>1,502,975</b> | <b>794,410</b>   | <b>5,784,923</b>   | <b>1,731,891</b> | <b>4,457,406</b> | <b>549,892</b>   | <b>5,809,705</b> | <b>1,012,069</b> |
| <b>Financial liabilities</b>  |                  |                  |                    |                  |                  |                  |                  |                  |
| Trade and other payables  | (245,076)        | (12,177)         | (97,908)           | (15,700)         | -                | -                | -                | -                |
| Lease liabilities   | (222,140)        | -                | -                  | -                | -                | -                | (107,918)        | -                |
| Redeemable participating<br>shares  | -                | -                | (3,927,686)        | -                | -                | -                | -                | -                |
|   | <b>(467,216)</b> | <b>(12,177)</b>  | <b>(4,025,594)</b> | <b>(15,700)</b>  | <b>-</b>         | <b>-</b>         | <b>(107,918)</b> | <b>-</b>         |
| <b>Net financial assets</b>   | <b>1,035,759</b> | <b>782,233</b>   | <b>1,759,329</b>   | <b>1,716,191</b> | <b>4,457,406</b> | <b>549,892</b>   | <b>5,701,787</b> | <b>1,012,069</b> |
| <b>Currency exposure of<br/>financial assets net of<br/>those denominated in<br/>the respective entities'<br/>functional currencies</b> | <b>-</b>         | <b>5,304,063</b> | <b>292,401</b>     | <b>1,231,687</b> | <b>2,000,761</b> | <b>2,000,761</b> | <b>6,626,372</b> | <b>3,004,605</b> |
| <b>At 31 March 2019</b>   |                  |                  |                    |                  |                  |                  |                  |                  |
| <b>Financial assets</b>   |                  |                  |                    |                  |                  |                  |                  |                  |
| Cash and cash equivalents,<br>financial assets, at FVPL<br>and financial assets, at<br>FVOCI  | 728,788          | 5,587,570        | 5,015,434          | 1,448,186        | -                | 1,933,177        | 7,341,444        | 3,004,605        |
| Trade and other<br>receivables  | 169,377          | 13,982           | 86,594             | 152,623          | -                | 67,584           | 225,165          | -                |
|   | <b>898,165</b>   | <b>5,601,552</b> | <b>5,102,028</b>   | <b>1,600,809</b> | <b>-</b>         | <b>2,000,761</b> | <b>7,566,609</b> | <b>3,004,605</b> |
| <b>Financial liabilities</b>  |                  |                  |                    |                  |                  |                  |                  |                  |
| Trade and other payables  | (83,115)         | (290,426)        | (225)              | (21,847)         | -                | -                | (29,881)         | -                |
| Lease liabilities   | (36,423)         | -                | -                  | -                | -                | -                | -                | -                |
| Redeemable participating<br>shares  | -                | -                | (5,582,278)        | -                | -                | -                | -                | -                |
|   | <b>(119,538)</b> | <b>(290,426)</b> | <b>(5,582,503)</b> | <b>(21,847)</b>  | <b>-</b>         | <b>-</b>         | <b>(29,881)</b>  | <b>-</b>         |
| <b>Net financial assets</b>   | <b>778,627</b>   | <b>5,311,126</b> | <b>(480,475)</b>   | <b>1,578,962</b> | <b>-</b>         | <b>2,000,761</b> | <b>7,536,728</b> | <b>3,004,605</b> |
| <b>Currency exposure of<br/>financial assets net of<br/>those denominated in<br/>the respective entities'<br/>functional currencies</b> | <b>1,644</b>     | <b>5,304,063</b> | <b>292,401</b>     | <b>1,231,687</b> | <b>-</b>         | <b>2,000,761</b> | <b>6,626,372</b> | <b>3,004,605</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. 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:

|   | AUD<br>S\$     | USD<br>S\$       |
|---|----------------|------------------|
| <u>At 31 March 2020</u>   |                |                  |
| <b>Financial Assets</b>   |                |                  |
| Cash and cash equivalents, financial assets, at FVPL and financial assets, at FVOCI                                     | 9,055          | 2,855,617        |
| <b>Financial Liabilities</b>  |                |                  |
| Trade and other payables  | (5,654)        | (5,654)          |
| <b>Net financial assets</b>   | <u>3,401</u>   | <u>2,849,963</u> |
| <b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b> | <u>3,401</u>   | <u>2,849,963</u> |
| <u>At 31 March 2019</u>   |                |                  |
| <b>Financial Assets</b>   |                |                  |
| Cash and cash equivalents, financial assets, at FVPL and financial assets, at FVOCI                                     | 708,810        | 5,975            |
| <b>Financial Liabilities</b>  |                |                  |
| Trade and other payables  | (5,654)        | -                |
| <b>Net financial assets</b>   | <u>703,156</u> | <u>5,975</u>     |
| <b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b> | <u>703,156</u> | <u>5,975</u>     |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

If the MYR, AUD, USD, RMB, HKD, JPY, NTD and INR change against the SGD by 2% (2019: 2%), 8% (2019: 4%), 5% (2019: 3%), 3% (2019: 3%), 6% (2019: 1%), 7% (2019: 2%), 7% (2019: 2%) and 1% (2019: 2%) 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)        |   |                            |   |
|-----------------|----------------------------|---|----------------------------|---|
|                 | 2020                       |   | 2019                       |   |
| Group           | Profit<br>after tax<br>S\$ | Other<br>comprehensive<br>income<br>S\$ | Profit<br>after tax<br>S\$ | Other<br>comprehensive<br>income<br>S\$ |
| MYR against SGD |                            |   |                            |   |
| - Strengthened  | -                          | -                                       | 33                         | -                                       |
| - Weakened      | -                          | -                                       | (33)                       | -                                       |
| AUD against SGD |                            |   |                            |   |
| - Strengthened  | 47,996                     | 26,285                                  | 185,877                    | 26,285                                  |
| - Weakened      | (47,996)                   | (26,285)                                | (185,877)                  | (26,285)                                |
| USD against SGD |                            |   |                            |   |
| - Strengthened  | 161,592                    | -                                       | 8,772                      | -                                       |
| - Weakened      | (161,592)                  | -                                       | (8,772)                    | -                                       |
| RMB against SGD |                            |   |                            |   |
| - Strengthened  | 42,125                     | -                                       | 36,951                     | -                                       |
| - Weakened      | (42,125)                   | -                                       | (36,951)                   | -                                       |
| HKD against SGD |                            |   |                            |   |
| - Strengthened  | 267,444                    | -                                       | 36,951                     | -                                       |
| - Weakened      | (267,444)                  | -                                       | (36,951)                   | -                                       |
| JPY against SGD |                            |   |                            |   |
| - Strengthened  | 38,492                     | -                                       | 20,008                     | -                                       |
| - Weakened      | (38,492)                   | -                                       | (20,008)                   | -                                       |
| NTD against SGD |                            |   |                            |   |
| - Strengthened  | 377,694                    | -                                       | 132,527                    | -                                       |
| - Weakened      | (377,694)                  | -                                       | (132,527)                  | -                                       |
| INR against SGD |                            |   |                            |   |
| - Strengthened  | 10,121                     | -                                       | 60,092                     | -                                       |
| - Weakened      | (10,121)                   | -                                       | (60,092)                   | -                                       |
| Company         |                            |   |                            |   |
| AUD against SGD |                            |   |                            |   |
| - Strengthened  | 309                        | -                                       | 121                        | -                                       |
| - Weakened      | (309)                      | -                                       | (121)                      | -                                       |
| USD against SGD |                            |   |                            |   |
| - Strengthened  | 142,781                    | -                                       | 179                        | -                                       |
| - Weakened      | (142,781)                  | -                                       | (179)                      | -                                       |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. 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 at fair value through profit or loss. These securities are listed in Australia, Japan, India, Taiwan, China, Hong Kong, America, 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, China, Hong Kong, America, Malaysia and Singapore had changed by 17% (2019: 7%), 17% (2019: 7%), 17% (2019: 7%), 17% (2019: 7%), 17% (2019: 7%), 17% (2019: 7%), 17% (2019: 7%) and 17% (2019: 7%) 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)        |   |                            |   |
|---------------------|----------------------------|---|----------------------------|---|
|                     | 2020                       |   | 2019                       |   |
|                     | Profit<br>after tax<br>S\$ | Other<br>comprehensive<br>income<br>S\$ | Profit<br>after tax<br>S\$ | Other<br>comprehensive<br>income<br>S\$ |
| <b>Group</b>        |                            |   |                            |   |
| Listed in Australia |                            |   |                            |   |
| - increased by      | 89,840                     | 30,827                                  | 341,776                    | 45,999                                  |
| - decreased by      | (89,840)                   | (30,827)                                | (341,776)                  | (45,999)                                |
| Listed in Japan     |                            |   |                            |   |
| - increased by      | 93,482                     | -                                       | 135,322                    | -                                       |
| - decreased by      | (93,482)                   | -                                       | (135,322)                  | -                                       |
| Listed in India     |                            |   |                            |   |
| - increased by      | 172,052                    | -                                       | 210,322                    | -                                       |
| - decreased by      | (172,052)                  | -                                       | (210,322)                  | -                                       |
| Listed in Taiwan    |                            |   |                            |   |
| - increased by      | 917,257                    | -                                       | 463,846                    | -                                       |
| - decreased by      | (917,257)                  | -                                       | (463,846)                  | -                                       |
| Listed in China     |                            |   |                            |   |
| - increased by      | 239,422                    | -                                       | 86,935                     | -                                       |
| - decreased by      | (239,422)                  | -                                       | (86,935)                   | -                                       |
| Listed in Hong Kong |                            |   |                            |   |
| - increased by      | 757,759                    | -                                       | 68,350                     | -                                       |
| - decreased by      | (757,759)                  | -                                       | (68,350)                   | -                                       |
| Listed in America   |                            |   |                            |   |
| - increased by      | 36,483                     | -                                       | 21,040                     | -                                       |
| - decreased by      | (36,483)                   | -                                       | (21,040)                   | -                                       |



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Price risk (continued)

|                         | ← 2020                     |   | Increase/(Decrease) |  | 2019 →                     |   |
|-------------------------|----------------------------|---|---------------------|--|----------------------------|---|
|                         | Profit<br>after tax<br>S\$ | Other<br>comprehensive<br>income<br>S\$ |                     |  | Profit<br>after tax<br>S\$ | Other<br>comprehensive<br>income<br>S\$ |
| <u>Group</u>            |                            |   |                     |  |                            |   |
| Listed in the Malaysia  |                            |   |                     |  |                            |   |
| - increased by          | 31,908                     | -                                       |                     |  | 12,708                     | -                                       |
| - decreased by          | (31,908)                   | -                                       |                     |  | (12,708)                   | -                                       |
| Listed in the Singapore |                            |   |                     |  |                            |   |
| - increased by          | 102,739                    | -                                       |                     |  | 86,223                     | -                                       |
| - decreased by          | (102,739)                  | -                                       |                     |  | (86,223)                   | -                                       |
| <u>Company</u>          |                            |   |                     |  |                            |   |
| Listed in Japan         |                            |   |                     |  |                            |   |
| - increased by          | 4,548                      | -                                       |                     |  | -                          | -                                       |
| - decreased by          | (4,548)                    | -                                       |                     |  | -                          | -                                       |
| Listed in Hong Kong     |                            |   |                     |  |                            |   |
| - increased by          | 899                        | -                                       |                     |  | -                          | -                                       |
| - decreased by          | (899)                      | -                                       |                     |  | -                          | -                                       |
| Listed in the Singapore |                            |   |                     |  |                            |   |
| - increased by          | -                          | -                                       |                     |  | 3,251                      | -                                       |
| - decreased by          | -                          | -                                       |                     |  | (3,251)                    | -                                       |

### (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 amortised costs. These four categories reflect the respective credit risk and how the loan loss provision is determined for each of those categories.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. Financial risk management (continued)

### (b) Credit risk (continued)

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

| 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:

| Group  | Trade receivables<br>S\$ | Other financial assets at amortised costs<br>Stage 1<br>S\$ | Total<br>S\$   |
|--|--------------------------|---|----------------|
| <b>2020</b>  |                          |   |                |
| Balance at 1 April 2019                              | 74,902                   | 6,264   | 81,166         |
| Changes in credit loss recognised in profit or loss: |                          |   |                |
| - Increase due to credit risk                        | 62,635                   | 50,148  | 112,783        |
| <b>Balance at 31 March 2020</b>                      | <b>137,537</b>           | <b>56,412</b>   | <b>193,949</b> |
| <b>2019</b>  |                          |   |                |
| Balance at 1 April 2018                              | 163,421                  | 6,264   | 169,685        |
| Disposal of subsidiaries                             | (124,622)                | -   | (124,622)      |
| Changes in credit loss recognised in profit or loss: |                          |   |                |
| - Increase due to credit risk                        | 36,103                   | -   | 36,103         |
| <b>Balance at 31 March 2019</b>                      | <b>74,902</b>            | <b>6,264</b>  | <b>81,166</b>  |

| Company  | Other financial assets at amortised costs<br>Stage 1<br>S\$ |
|--|---|
| <b>2020</b>  |   |
| Balance at 1 April 2019                              | 6,264   |
| Changes in credit loss recognised in profit or loss: |   |
| - Increase due to credit risk                        | 50,148  |
| <b>Balance at 31 March 2020</b>                      | <b>56,412</b>   |
| <b>2019</b>  |   |
| Balance at 1 April 2018 and 31 March 2019            | 6,264   |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. 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 2020 are set out in the provision matrix as follows:

| Group                        | Current | Past due       |               |            |                   | Total     |
|------------------------------|---------|----------------|---------------|------------|-------------------|-----------|
|                              |         | Within 30 days | 30 to 60 days | 61-90 days | More than 90 days |           |
| Expected loss rate           | 0%      | 0%             | 5%            | 10%        | 100%              |           |
| Gross carrying amount (\$\$) | 255,975 | 26,221         | 12,977        | 26,488     | 134,174           | 455,835   |
| Credit loss allowance (\$\$) | -       | -              | (714)         | (2,649)    | (134,174)         | (137,537) |

The Group's credit risk exposure in relation to trade receivables, under FRS 109 as at 31 March 2019 are set out in the provision matrix as follows:

| Group                        | Current | Past due       |               |            |                   | Total    |
|------------------------------|---------|----------------|---------------|------------|-------------------|----------|
|                              |         | Within 30 days | 30 to 60 days | 61-90 days | More than 90 days |          |
| Expected loss rate           | 0%      | 0%             | 5%            | 10%        | 100%              |          |
| Gross carrying amount (\$\$) | 87,598  | 30,468         | 62,003        | 54,820     | 66,320            | 301,209  |
| Credit loss allowance (\$\$) | -       | -              | (3,100)       | (5,482)    | (66,320)          | (74,902) |

#### Trade receivables

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. Receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. 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 reporting 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 reporting 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<br>1 year<br>S\$ | Between<br>1 and<br>5 years<br>S\$ |
|---------------------------------|----------------------------|------------------------------------|
| <b>Group</b>                    |                            |                                    |
| <b>At 31 March 2020</b>         |                            |                                    |
| Trade and other payables        | 1,767,983                  | -                                  |
| Lease liabilities               | 1,176,581                  | 68,630                             |
| Redeemable participating shares | 3,927,686                  | -                                  |
| <b>At 31 March 2019</b>         |                            |                                    |
| Trade and other payables        | 1,530,854                  | -                                  |
| Lease liabilities               | 19,988                     | 18,304                             |
| Redeemable participating shares | 5,582,278                  | -                                  |
| <b>Company</b>                  |                            |                                    |
| <b>At 31 March 2020</b>         |                            |                                    |
| Trade and other payables        | 137,456                    | -                                  |
| <b>At 31 March 2019</b>         |                            |                                    |
| Trade and other payables        | 141,483                    | -                                  |

### (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.

### (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:

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. Financial risk management (continued)

### (e) Fair value measurements (continued)

|                            | Level 1<br>S\$    | Level 2<br>S\$ | Level 3<br>S\$   | Total<br>S\$      |
|----------------------------|-------------------|----------------|------------------|-------------------|
| <b>Group</b>               |                   |                |                  |                   |
| <b>2020</b>                |                   |                |                  |                   |
| <b>Assets</b>              |                   |                |                  |                   |
| Financial assets, at FVPL  | 14,358,481        | -              | -                | 14,358,481        |
| Financial assets, at FVOCI | 174,903           | -              | 1,091,358        | 1,266,261         |
| <b>Total assets</b>        | <b>14,533,384</b> | <b>-</b>       | <b>1,091,358</b> | <b>15,624,742</b> |
| <b>2019</b>                |                   |                |                  |                   |
| <b>Assets</b>              |                   |                |                  |                   |
| Financial assets, at FVPL  | 20,379,148        | -              | -                | 20,379,148        |
| Financial assets, at FVOCI | 651,472           | -              | 1,047,408        | 1,698,880         |
| <b>Total assets</b>        | <b>21,030,620</b> | <b>-</b>       | <b>1,047,408</b> | <b>22,078,028</b> |
| <b>Company</b>             |                   |                |                  |                   |
| <b>2020</b>                |                   |                |                  |                   |
| <b>Assets</b>              |                   |                |                  |                   |
| Financial assets, at FVPL  | 32,041            | -              | -                | 32,041            |
| Financial assets, at FVOCI | -                 | -              | 1,077,479        | 1,077,479         |
| <b>Total assets</b>        | <b>32,041</b>     | <b>-</b>       | <b>1,077,479</b> | <b>1,109,520</b>  |
| <b>2019</b>                |                   |                |                  |                   |
| <b>Assets</b>              |                   |                |                  |                   |
| Financial assets, at FVPL  | 46,444            | -              | -                | 46,444            |
| Financial assets, at FVOCI | -                 | -              | 1,033,529        | 1,033,529         |
| <b>Total assets</b>        | <b>46,444</b>     | <b>-</b>       | <b>1,033,529</b> | <b>1,079,973</b>  |

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 reporting 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 fair value of financial instruments that are not traded in an active market (for example, investment in unquoted equities) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation methods, such as using recent transacted price, are used to determine fair value for the remaining financial instruments. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

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

### (f) Financial instruments by category

|   | Group       |             | Company     |             |
|---|-------------|-------------|-------------|-------------|
|   | 2020<br>S\$ | 2019<br>S\$ | 2020<br>S\$ | 2019<br>S\$ |
| Financial assets, at FVPL               | 14,358,481  | 20,379,148  | 32,041      | 46,444      |
| Financial assets, at FVOCI              | 1,266,261   | 1,698,880   | 1,077,479   | 1,033,529   |
| Financial assets at amortised cost      | 22,010,971  | 17,716,839  | 14,203,299  | 15,097,698  |
| Financial liabilities at amortised cost | (6,910,181) | (7,149,555) | (137,456)   | (141,483)   |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 27. 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.

### Directors and key management personnel compensation

Directors and key management personnel compensation is as follows:

|   | <u>Group</u>     |                  |
|---|------------------|------------------|
|   | 2020             | 2019             |
|   | S\$              | S\$              |
| Wages, salaries and fees  | 1,003,833        | 990,500          |
| Employer's contribution to defined contribution plans, including Central Provident Fund | 73,440           | 69,955           |
|   | <u>1,077,273</u> | <u>1,060,455</u> |

## 28. 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:

- **Financial Education:** involved in providing financial education in the discipline of value investing and supporting a community of value investors from 29 cities globally under the "VI" brand.
- **Financial Investment:** involved in investment in listed equities in the Asia-Pacific through a focused strategy of investing in value-adding, nimble and scalable business to achieve long-term investment returns. It also involved in strategic investment in private businesses.
- **Digital and Marketing (discontinued):** involved in specialists and training academy; content creation, branding and marketing solutions provider; and marketing and selling products via ecommerce platform.
- **All other segments:** included fintech business and subsidiaries that provided financial education and training in China, Taiwan and Thailand.

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 2020

## 28. Segment information (continued)

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

|  | Singapore           |                      | Malaysia            |                      | All other segments | Corporate          | TOTAL               |
|--|---------------------|----------------------|---------------------|----------------------|--------------------|--------------------|---------------------|
|  | Financial Education | Financial Investment | Financial Education | Financial Investment |                    |                    |                     |
|  | S\$                 | S\$                  | S\$                 | S\$                  | S\$                | S\$                | S\$                 |
| <b>2020</b>  |                     |                      |                     |                      |                    |                    |                     |
| <b>Revenue and investment income</b>                     |                     |                      |                     |                      |                    |                    |                     |
| Total segment revenue and investment income              | 7,199,356           | (2,523,894)          | 3,311,366           | 5,320                | 1,769,760          | 1,060,476          | 10,822,384          |
| Inter-segment revenue and investment income              | (314,704)           | -                    | (48,897)            | -                    | -                  | (1,060,476)        | (1,424,077)         |
| <b>Revenue and investment income to external parties</b> | <b>6,884,652</b>    | <b>(2,523,894)</b>   | <b>3,262,469</b>    | <b>5,320</b>         | <b>1,769,760</b>   | <b>-</b>           | <b>9,398,307</b>    |
| <b>Profit/(loss) after tax</b>                           | <b>1,059,598</b>    | <b>(2,858,194)</b>   | <b>196,893</b>      | <b>(24,332)</b>      | <b>(867,399)</b>   | <b>(1,493,494)</b> | <b>(3,986,928)</b>  |
| Depreciation   | (1,210,355)         | -                    | (286,248)           | -                    | (219,442)          | (21,081)           | (1,737,126)         |
| Amortisation   | -                   | -                    | -                   | -                    | (158,481)          | -                  | (158,481)           |
| Share of loss of an associated company                   | -                   | -                    | -                   | (29,652)             | -                  | -                  | (29,652)            |
| Net gain on disposal of subsidiaries                     | -                   | -                    | -                   | -                    | 51,977             | -                  | 51,977              |
| Net gain from sale of an associated company              | -                   | -                    | -                   | 5,320                | -                  | -                  | 5,320               |
| <b>Segment assets</b>                                    | <b>7,354,225</b>    | <b>16,923,184</b>    | <b>1,864,120</b>    | <b>-</b>             | <b>2,946,811</b>   | <b>11,171,461</b>  | <b>40,259,801</b>   |
| Segment assets includes additions to:                    |                     |                      |                     |                      |                    |                    |                     |
| - property, plant and equipment                          | 25,797              | -                    | 138,742             | -                    | 84,625             | 20,394             | 269,558             |
| - intangible assets                                      | -                   | -                    | -                   | -                    | 405,782            | -                  | 405,782             |
| <b>Segment liabilities</b>                               | <b>(3,341,104)</b>  | <b>(4,096,384)</b>   | <b>(1,353,464)</b>  | <b>-</b>             | <b>(1,430,457)</b> | <b>(662,524)</b>   | <b>(10,883,933)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 28. Segment information (continued)

2019

### Revenue and investment income

Total segment revenue and investment income

Inter-segment revenue and investment income

### Revenue and investment income to external parties

### Profit/(loss) after tax

Depreciation

Amortisation

Share of profit of an associated company

Net gain on disposal of subsidiaries

Impairment of goodwill

### Segment assets

Segment assets includes additions to:

- property, plant and equipment

- intangible assets

### Segment liabilities

|  | Singapore                     |                                |   | Malaysia                      |                                |   |                              |                          |                           |
|--|-------------------------------|--------------------------------|---|-------------------------------|--------------------------------|---|------------------------------|--------------------------|---------------------------|
|  | Financial<br>Education<br>S\$ | Financial<br>Investment<br>S\$ | Digital &<br>Marketing<br>(discontinued)<br>S\$ | Financial<br>Education<br>S\$ | Financial<br>Investment<br>S\$ | Digital &<br>Marketing<br>(discontinued)<br>S\$ | All other<br>segments<br>S\$ | Corporate<br>S\$         | TOTAL<br>S\$              |
|  | 5,023,047<br>(428,986)        | (6,098,240)<br>(240,000)       | 8,455,988<br>-                                  | 3,706,717<br>(36,146)         | 821,331<br>-                   | 927,264   | 6,888,492<br>-               | 1,077,658<br>(1,077,658) | 20,802,257<br>(1,782,790) |
|  | 4,594,061                     | (6,338,240)                    | 8,455,988                                       | 3,670,571                     | 821,331                        | 927,264   | 6,888,492                    | -                        | 19,019,467                |
|  | (1,741,536)                   | (5,986,422)                    | 518,108   | 64,148                        | 19,650                         | (168,816)                                       | (1,395,746)                  | (2,493,799)              | (11,184,413)              |
|  | (258,156)<br>(50,000)         | -<br>-                         | (157,530)<br>-                                  | (123,541)<br>-                | (31,883)<br>-                  | -<br>-  | (62,345)<br>(61,045)         | (22,210)<br>-            | (655,665)<br>(111,045)    |
|  | -                             | -                              | -   | -                             | 46,114                         | -   | -                            | -                        | 46,114                    |
|  | -                             | 529,776                        | -   | -                             | -                              | -   | -                            | -                        | 529,776                   |
|  | -                             | -                              | -   | -                             | -                              | -   | (121,577)                    | (1,554,542)              | (1,676,119)               |
|  | 5,178,608                     | 26,260,734                     | -   | 968,264                       | 1,294,603                      | -   | 1,763,675                    | 7,196,402                | 42,662,286                |
|  | 118,467<br>-                  | -<br>-                         | -<br>-  | 122,923<br>-                  | 91,828<br>-                    | -<br>-  | 16,254<br>244,183            | 28,173<br>-              | 377,645<br>244,183        |
|  | (1,783,854)                   | (5,619,542)                    | -   | (729,456)                     | -                              | -   | (1,531,034)                  | (668,962)                | (10,332,848)              |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 28. 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 and digital & marketing. Breakdown of the revenue and investment income is as follows:

|                                      | 2020<br>S\$      | 2019<br>S\$       |
|--------------------------------------|------------------|-------------------|
| <b>Revenue and investment income</b> |                  |                   |
| Financial Education                  | 10,271,701       | 12,719,635        |
| Financial Investment                 | (2,518,575)      | (3,819,358)       |
| Digital & Marketing                  | -                | 9,383,252         |
| Others                               | 1,645,181        | 735,938           |
|                                      | <b>9,398,307</b> | <b>19,019,467</b> |

### (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;

|                                      | 2020<br>S\$      | 2019<br>S\$       |
|--------------------------------------|------------------|-------------------|
| <b>Revenue and investment income</b> |                  |                   |
| Singapore                            | 5,314,180        | 6,868,671         |
| Malaysia                             | 3,267,789        | 5,419,166         |
| Others                               | 816,338          | 6,731,630         |
|                                      | <b>9,398,307</b> | <b>19,019,467</b> |
| <b>Non-current assets</b>            |                  |                   |
| Singapore                            | 4,131,045        | 4,598,459         |
| Malaysia                             | 546,861          | 200,970           |
| Others                               | 124,039          | 113,655           |
|                                      | <b>4,801,945</b> | <b>4,913,084</b>  |

### (c) Changes in accounting policy

- (i) The adoption of the new leasing standard described in Note 2.1 had the following impact on the adjusted EBITDA in the current year:

|                     | Adjusted EBITDA before adoption of FRS 116<br>S\$ | Rental expenses under FRS 1-17, when the Group is a lessee<br>S\$ | Adjusted EBITDA after adoption of FRS 116<br>S\$ |
|---------------------|---|---|--|
| Financial Education | <b>1,740,539</b>                                  | <b>1,434,867</b>  | <b>3,175,406</b>                                 |

- (ii) The adoption of the new leasing standard resulted in the recognition of ROU assets and lease liabilities, which increased segment assets and liabilities as at 31 March 2020 as follows:

|                     | Segment assets<br>S\$ | Segment liabilities<br>S\$ |
|---------------------|-----------------------|----------------------------|
| Financial Education | <b>1,189,331</b>      | <b>1,216,084</b>           |

- (iii) The recognition of ROU assets and lease liabilities on the balance sheet resulted in an increase in depreciation and finance expenses in the consolidated statement of comprehensive income in the current year as follows:

|                     | Depreciation<br>S\$ | Finance expense<br>S\$ |
|---------------------|---------------------|------------------------|
| Financial Education | <b>1,381,191</b>    | <b>80,429</b>          |

Comparative segment information has not been restated. As a consequence, the segment information disclosed for the items above is not entirely comparable to the information disclosed for the prior year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 29. Events occurring after reporting date

On 3 April 2020, Singapore announced a stringent set of preventive measures collectively called a "circuit breaker", to be applied from 7 April to 4 May, in response to the growing number of new cases. The circuit breaker was extended to 1 June on 21 April following continued untraced transmission within the community.

With the implementation of the circuit breaker in Singapore and the movement control order in Malaysia, the Company's financial education business transferred all its offline trainings and programmes in Singapore and Malaysia online. This temporarily change in business operation had not significantly affect the financial performance of the financial education business subsequent to the financial year to the date of this report.

The novel coronavirus (COVID-19) outbreak since early 2020 is likely to impact the performance of the Fund's investment. On 30 January 2020, the outbreak was declared a Public Health Emergency of International Concern. It is currently difficult to predict the magnitude of the impact on the global economy and consumer sentiment as the tenure and severity of the virus outbreak is still unknown. As at the date of this report, it is not possible to make a reliable estimate the financial effect of the virus on the Fund's operations and fair value of the investments. The Board of Directors will continue to support the managed entities and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and reporting.

## 30. New or revised accounting standards and interpretations

Amendments to FRS 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under FRS 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

# NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2020*

## 31. 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 May 2020.

# ADDITIONAL INFORMATION

## Shareholders Information as at 26 June 2020

### 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                  | 18                | 10,833             | 0.00%               |
| 1,001 – 5,000              | 72                | 278,073            | 0.08%               |
| 5,001 – 10,000             | 56                | 522,924            | 0.14%               |
| 10,001 – 100,000           | 471               | 21,434,866         | 5.93%               |
| 100,001 – and over         | 281               | 338,985,887        | 93.85%              |
|                            | <b>898</b>        | <b>361,232,583</b> | <b>100.00%</b>      |

The number of investors holding less than a marketable parcel of 5,000 8IH shares (based on a share price of A\$0.10) was 54. They hold 108,906 8IH shares in total.

### Twenty Largest Shareholders and CDI Holders\*

| Registered Holder                            | Number of Shares   | % of issued capital |
|--|--------------------|---------------------|
| 1. Chee Kuan Tat, Ken                        | 86,684,792         | 24.00%              |
| 2. Clive Tan Che Koon                        | 65,140,000         | 18.03%              |
| 3. J P Morgan Nominees Australia Limited     | 27,901,878         | 7.72%               |
| 4. Citicorp Nominees Pty Limited             | 21,726,639         | 6.01%               |
| 5. HSBC Custody Nominees (Australia) Limited | 17,092,573         | 4.73%               |
| 6. BNP Paribas Noms Pty Ltd                  | 10,245,875         | 2.84%               |
| 7. Pauline Teo Puay Lin                      | 8,859,103          | 2.45%               |
| 8. Philip John Raff                          | 7,779,324          | 2.15%               |
| 9. Hue Kuan Yew                              | 3,053,914          | 0.85%               |
| 10. Clarence Wee Kim Leng                    | 2,063,400          | 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. Neo Choon Seng                           | 1,172,992          | 0.32%               |
| 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. Rodney Tay                               | 1,065,336          | 0.29%               |
| 20. Yap Pei Koon                             | 1,020,872          | 0.28%               |
| ALL OTHER SHAREHOLDERS                       | 97,290,222         | 26.93%              |
| <b>Total</b>                                 | <b>361,232,583</b> | <b>100.00%</b>      |

### 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

## Shareholders Information as at 26 June 2020 (continued)

### Substantial Shareholders and CDI Holders\*\*

| Name               | Direct Interest Shares | % of voting power | Deemed Interest Shares | % of voting power |
|--------------------|------------------------|-------------------|------------------------|-------------------|
| Chee Kuan Tat, Ken | 86,684,792             | 24.00%            | -                      | -                 |
| Clive Tan Che Koon | 65,140,000             | 18.03%            | -                      | -                 |

#### Notes

\*\* This table is compiled on the basis that each holding of CDIs is a separate holding and accordingly, the holding of shares by CHES 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 188 transactions in securities during the financial year ended 31 March 2020 and has paid or accrued brokerage and management fees totalling S\$77,127 and S\$Nil respectively. As at 31 March 2020, the Group held investment in Velocity Property Group Limited, Autowealth Private Limited, Ausnutria Dairy Corporation Ltd, Sunny Optical Technology (Group) Company Limited, Hangzhou Hikvision Digital Technology Co., Ltd., TCI Co., Ltd., AK Medical Holdings Limited, Riverstone Holdings Limited, Kweichow Moutai Co., Ltd., Beijing Chunlizhengda Medical Instruments Co., Ltd., Xero Limited, LARGAN Precision Co.,Ltd, TerraSky Co.,Ltd., Audinate Group Limited, Wuliangye Yibin Co.,Ltd., MarketEnterprise Co.,Ltd, Kitanotatsujin Corporation, JustSystems Corporation, Tokyo Electron Limited and China Maple Leaf Education Systems Limited.

### Corporate Information

|                               |   |
|-------------------------------|---|
| 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<br>Tel: +65 6801 4500  |
| Registered office (Australia) | C/- SmallCap Corporate Pty Ltd, Suite 6, 295 Rokeby Road, Subiaco WA, Australia, 6008<br>Tel: +61 (8) 6555 2950<br>Fax: +61 (8) 6166 0261 |
| Principal place of business   | Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233  |
| Share registrar               | Boardroom Pty Limited<br>Level 7, 207 Kent Street, Sydney, NSW, Australia 2000<br>Tel: +61 (2) 9290 9600<br>Fax: +61 (2) 9279 0664        |
| Stock exchange listing        | 8I Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: 8IH)   |
| Website                       | www.8iholdings.com  |





## **8I Holdings Limited**

(Incorporated in the Republic of Singapore)  
Company Registration Number: 201414213R  
ARBN 601 582 129

[www.8iholdings.com](http://www.8iholdings.com)

### **Offices**

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