

For personal use only

SYNERGIES FOR
A SMARTER FUTURE

FINANCIAL STATEMENTS

For the six months ended 30 September 2021

About 8I Holdings Limited

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

Through 8VI Holdings Limited (“8VI”) the Group operates under the VI brand within the FinEduTech 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 VI Fund Management Pte Ltd (“VI Fund”), the Group operates a registered fund management business in Singapore, investing in public listed equities in the United States and Asia-Pacific region. VI Fund’s focused strategy involves a research-driven and systematic stock selection process refined over the years and around investing in Growth Businesses with favourable industry dynamics over the mid to long term.

Prelude

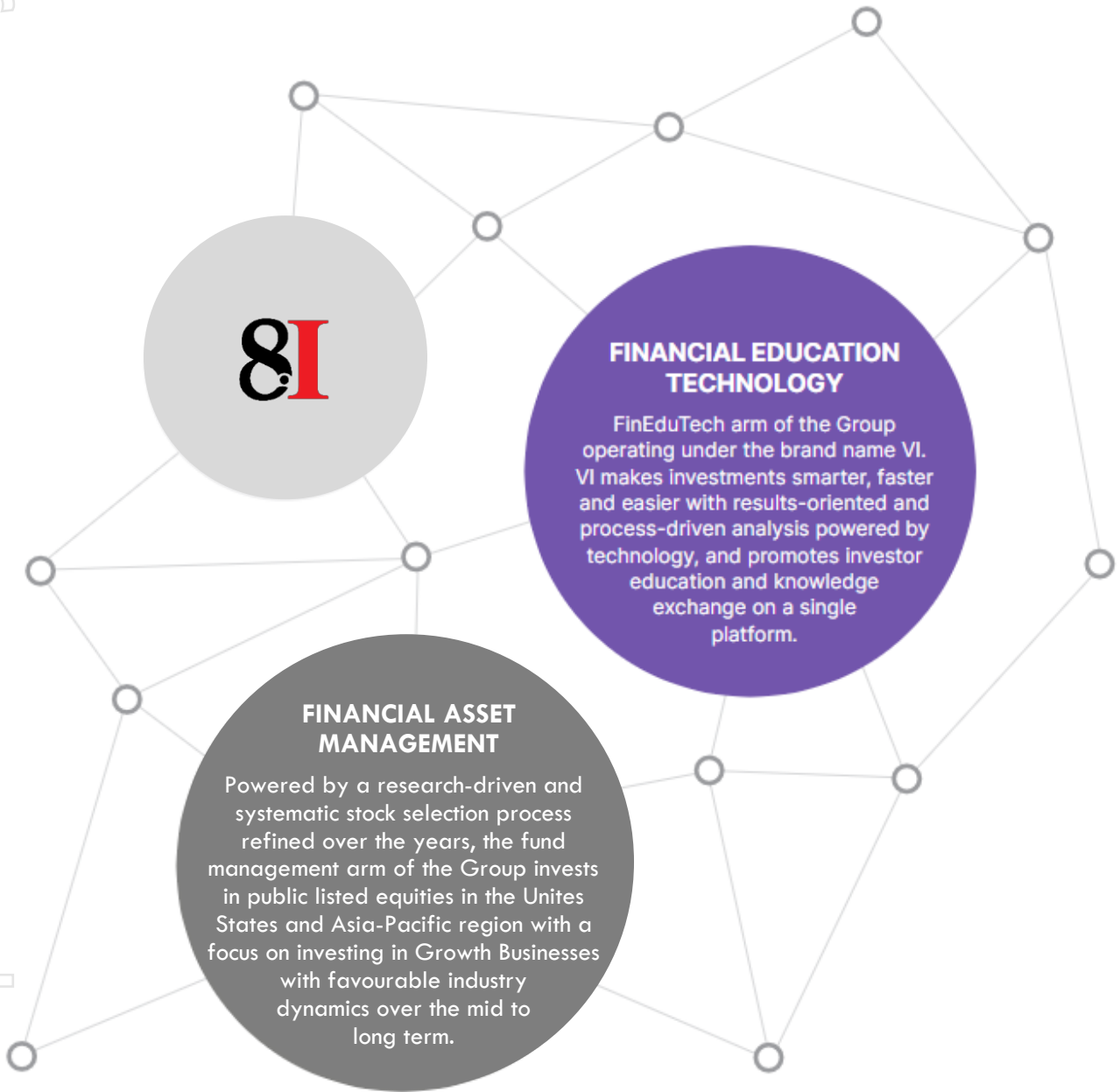
8I Holdings' twin growth engines – Financial Education Technology and Financial Asset Management – have been working closely to bring deeper synergies in the area of value investing.

With deeper, broader strategies and stronger digital inroads into the markets where we operate, and by incorporating automation in our operational processes with the application of data analytics, our FinEduTech business' performance improved exponentially with record-high profitability.

On the Financial Asset Management front, we adopt a 'quantamental' approach to investing to deliver enhanced value to our stakeholders. Leveraging AI, big data, and machine learning, 8I Holdings combines quantitative and fundamental approaches to investing with a human touch, with the aim of improving returns.

As we continue to sharpen our competitive edge fuelled by constant innovation, both our businesses are well on track to power a brighter future together, while empowering our growing community to make smart investment decisions.

8I ECOSYSTEM



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.

FINANCIAL AND OPERATIONS REVIEW

For the financial period ended 30 September 2021

Overview

FY2022 began amid a challenging operating landscape and uncertain macro-economic and geopolitical environment around the world.

Following updates from our FY2021 annual report, the Group has made conscious efforts to continue with its core focus and the implementation of its growth strategies to maintain its position of profitability in FY2022.

In the first half of FY2022 (“HY2022”), the Group recorded a revenue and investment gain of S\$18.3 million, as compared to S\$17.9 million in the first half of FY2021 (“HY2021”). Net profit for the same period was recorded at S\$4.2 million, as compared to S\$7.2 million in the previous corresponding period.

The result is mainly attributable to the continued strong growth of our FinEduTech division, as well as the positive performance of the restructured Hidden Champions Fund and portfolios.

Our FinEduTech segment registered a 54.8% increase in revenue from S\$11.4 million in HY2021 to S\$17.6 million in HY2022 while the Financial Asset Management division registered S\$0.7 million gain in investment in HY2022, from S\$6.5 million in HY2021.

The Group also maintained a healthy financial position, recording cash and cash equivalents of S\$24.6 million as compared to S\$23.5 million in HY2021. We have also recorded 62.3% increase in financial assets, at FVPL, from S\$21.5m in HY2021 to S\$34.9m in HY2022.

Business Segment Report



FinEduTech
– 8VI Holdings Limited

In HY2022, 8VI has continued to broaden and deepen its efforts in its acquisition, retention and technology development pillars while focusing on putting out meaningful, localized content, programmes and features for its users, community and the public at large.

The success of our core efforts is reflected in the results and performance for HY2022, where 8VI maintained an overall growth in the number of graduates, users and subscribers. The total number of graduates for HY2022 for 8VI were 13,215, up 7.1% as compared to 12,343 in HY2021. Meanwhile, the Total User Growth rate is recorded at 88% while Subscriber Growth Rate is recorded at 54% in the last twelve months for the period ended September 2021.

The team has also created meaningful engagement on the public front across the region. With a total of 629 content videos created and put out thus far, our content has garnered more than 25 million views, translating close to 1 million hours of content watched by audience around the globe.

In addition to investing in digitalization and talent, we also believe that key to our future growth also lies in expanding our addressable market and positioning ourselves to offer new products in the regulated space.

Within HY2022, 8VI has incorporated VIFIN to pursue new business verticals in both Singapore and Malaysia through ancillary financial services as an expansion to its service base and offerings to our existing graduates and community. By making inroads into these types of regulated services, we believe we can further raise our competitive edge in the long-term by extending our position on the value chain and towards our ultimate goal of building a smarter future for our community.

For more details on the FinEduTech segment, please refer to the HY2022 Interim Report for 8VI Holdings Limited.

FINANCIAL AND OPERATIONS REVIEW

For the financial period ended 30 September 2021

Business Segment Report (continued)

Financial Asset Management – VI Fund Management (“VI Fund”)

As highlighted during the FY2021 Annual General Meeting, our Financial Asset Management entity embarked on a rebranding exercise, and it is now operating under the identity of VI Fund Management. This rebranding is to reflect the Asset Management entity’s alignment with the entire Group’s identity and core values, where we believe that we will be able to unleash our maximum potential now that we are totally congruent.

We have also shared that we are currently working on 2 fund series, namely VI Fund & VI Quant, comprising 4 fund products which are VI Fund US, VI Fund Asia (to be rebranded from HCF Asia Fund), VI Quant US and VI Quant Asia. Among them, VI Quant US and VI Fund Asia are currently open to Accredited Investors. Meanwhile, VI Fund US and VI Quant Asia are currently funded by the Group’s proprietary capital for research and development. These fund products will be launched at a later date when they are suitably assessed and deemed ready.

Asset Management Company



VI Fund Management Pte. Ltd.
(previously known as Hidden Champions Capital Management Pte. Ltd.)

Funds Currently Open to Accredited Investors



VI Fund Asia
(to be rebranded from HCF Asia)



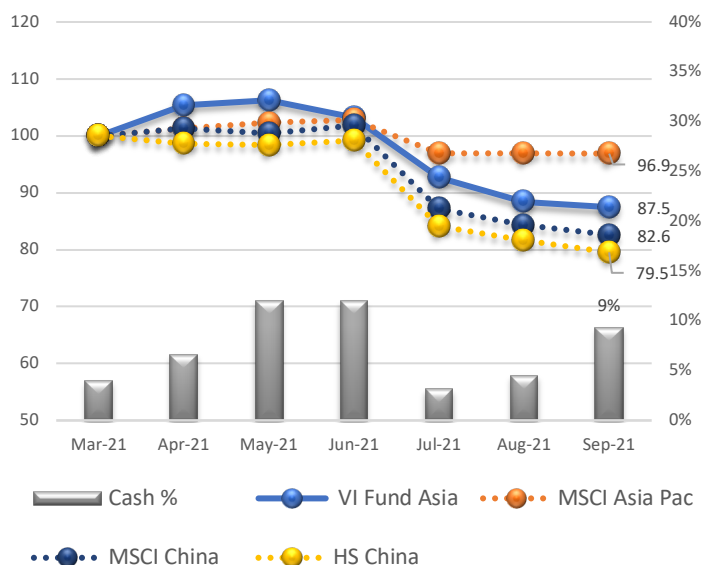
VI Quant US
(8IH VCC VI Quant US sub-fund)

Our investment returns are positive as a Group, despite the negative impact to our Asia portfolio, particularly with our significant exposure in China. Despite that, we believe in the long-term prospects of that market. Currently, our largest equity exposure is still in the United States.

A short summary for both VI Fund Asia and VI Quant US Fund are as follows:



VI Fund Asia Summary



	VI Fund Asia	MSCI Asia Pac	MSCI China	Hang Seng China
FYTD	-12.5%	-3.1%	-17.4%	-20.5%

Under the VI Fund Asia series, we currently manage a combined AUM of US\$7 million. For 1HFY2022, the listed securities under VI Fund Asia registered an unrealised loss on investment securities of US\$0.47 million under our direct stake. This is a return of -12.5% for the last six months, against the MSCI China index of -17.4%.

Beijing’s recent crackdowns on the tech sector wiped off about \$1 trillion of market value from Chinese shares around the world this year, and the markets declined further as they expanded their reach from antitrust and e-commerce concerns to private tutoring, data security, healthcare and online content in quick succession.

Overall, the portfolio was affected due to the wider exposure to China Technology and Healthcare companies. With no visibility on how the companies’ business models will evolve or need to change after the finalization and implementation of the regulatory changes, any future assessment of the business will just be our own speculation. The increased scrutiny has led to a tougher policy environment, and forced firms to slow expansion plans so as not to be caught in a situation of overexpansion, while anti-monopoly enforcement actions will expose the tech companies to greater competition. With that in mind, we are wary of the regulatory risk and have rebalanced the portfolio slightly to be aligned with the Chinese government’s long-term goals.

FINANCIAL AND OPERATIONS REVIEW

For the financial period ended 30 September 2021

Business Segment Report (continued)

VI Quant US summary

performance

performance since 1 APR '20

+132%

versus S&P500 +67%

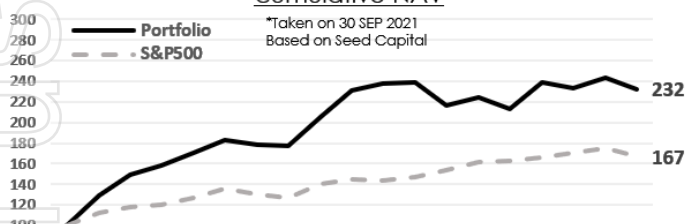
Graph of \$100 invested in fund from Apr 20 – SEP 21

CAGR growth rate

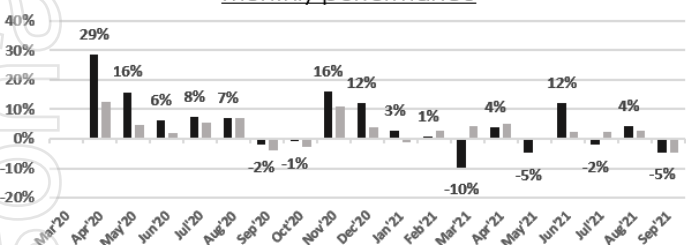
+75%

versus S&P500 +41%

cumulative NAV



monthly performance



We are proud to announce that the VI Quant US Growth Fund has been successfully launched under the Singapore incorporated VCC structure in September 2021.

To date, we have welcomed 30 clients to the 8IH VCC fund in the past 2 months. Under this VI Quant Fund series, we currently manage a combined AUM of US\$13 million and are looking to consolidate all holdings under this structure in the coming months.

The first half of the calendar year saw pullback among growth portfolios due to fears of interest rate spike affecting valuations. However, the VI Quant US Growth fund managed to surpass its all-time high when its momentum-based algorithms kicked in to rotate out of some stocks which are still currently underperforming as of this update despite them being of high quality.

At VI Quant Series, we believe that having the right stocks at the wrong time is still a wrong holding as it is considered an opportunity cost.

We continue with our pipeline of research projects to back-test and implement statistical learning methodologies to sharpen the investment process of our VI Quant series.

Moving forward, we are in the midst of building up a business development team to promote and market our fund products. This will enable us to serve our investors better and reach out more effectively to the right target market as part of our efforts to expand our potential clientele base.

At the same time, we will continue to refine and work on our investment strategies, processes and portfolio allocation to achieve a sound return on our capital.

Going Forward

2021 has been a transformative year for the Group, and we are celebrating this leap with a new office space. The significance of this newly designed office marks a new era for the Group as we work on growing the synergies within the 8I ecosystem where collaboration, agility and empowerment will be our key focus. All elements are consciously put together to remind the team of the values that we live by, what we strive to achieve and dynamic spaces dedicated to different purposes and preferences in line with our 80:20 rule.

In FY2022, we will continue to invest significant resources into diversifying our human capital to find the right talent to strengthen our position in innovation and technology. Our quest to acquire talented individuals in the fields that support our growth plans continues and we are on the lookout for passionate subject matter experts to join the Group in building our unique FinEduTech and Financial Asset Management ecosystem.

For more information and past annual reports, please refer to our website at www.8iholdings.com

DIRECTORS' STATEMENT

For the financial period ended 30 September 2021

In the opinion of the directors,

- (a) to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the accompanying interim financial information for the six months ended 30 September 2021 to be false or misleading; 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.

On behalf of the directors



Chee Kuan Tat, Ken
Director

5 November 2021



Clive Tan Che Koon
Director

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF 8I HOLDINGS LIMITED

Introduction

We have reviewed the accompanying statement of financial position of 8I Holdings Limited and its subsidiaries (the "Group") as of 30 September 2021 and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Financial Reporting Standards in Singapore, Interim Financial Reporting ("FRSs 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at 30 September 2021, and of its financial performance, its changes in equity and its cash flows for the six-month period then ended in accordance with FRSs 34.



KLP LLP
Public Accountants and
Chartered Accountants

Singapore, 5 November 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Interim Financial Report for the financial period ended 30 September 2021

	Note	Half-year ended 30 Sep 2021 S\$	Half-year ended 30 Sep 2020 S\$
Revenue	4	17,639,657	11,399,376
Investment gain	4	658,891	6,476,094
Cost of sales and services		(4,216,589)	(1,967,764)
Gross profit		14,081,959	15,907,706
Other gains		163,966	-
Other income	5	1,303,372	808,793
Expenses			
- Administrative expenses		(5,915,246)	(4,551,225)
- Marketing and other operating expenses		(5,957,402)	(2,975,762)
- Finance costs		(22,507)	(22,677)
Share of loss/(profit) attributable to the unit holders of redeemable participating shares		857,495	(1,362,543)
Profit before income tax		4,511,637	7,804,292
Income tax expense	6	(305,742)	(593,959)
Profit for the period		4,205,895	7,210,333
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation		137,548	(423,835)
Items that will not be reclassified subsequently to profit or loss:			
- Financial (loss)/gain, at FVOCI		(6,827)	36,841
Other comprehensive income/(loss), net of tax		130,721	(386,994)
Total comprehensive income for the period		4,336,616	6,823,339
Profit attributable to:			
- Owners of the Company		3,294,554	6,590,154
- Non-controlling interests		911,341	620,179
		4,205,895	7,210,333
Total comprehensive income attributable to:			
- Owners of the Company		3,377,102	6,213,025
- Non-controlling interests		959,514	610,314
		4,336,616	6,823,339
Profit per share attributable to equity holders of the Company (S\$ cent per share)			
- Basic earnings	7	0.92	1.82
- Diluted earnings	7	0.92	1.82

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 September 2021

	Note	30 Sep 2021 S\$	31 Mar 2021 S\$
ASSETS			
Current assets			
Cash and cash equivalents		24,640,952	26,819,650
Trade and other receivables	8	3,400,982	2,153,261
Financial assets, at FVPL		34,949,133	24,868,213
		<u>62,991,067</u>	<u>53,841,124</u>
Non-current assets			
Other receivables	8	365,700	351,900
Property, plant and equipment		1,733,441	1,450,709
Development of software	9	1,162,204	790,401
Financial assets, at FVOCI		1,268,380	1,275,182
Deferred income tax assets		297,233	296,355
		<u>4,826,958</u>	<u>4,164,547</u>
Total assets		<u>67,818,025</u>	<u>58,005,671</u>
LIABILITIES			
Current liabilities			
Trade and other payables		3,403,088	3,852,696
Borrowings		1,309,958	798,089
Current income tax liabilities		393,144	465,036
Unearned revenue	10	10,344,865	9,521,393
Redeemable participating shares	11	8,184,999	5,359,489
		<u>23,636,054</u>	<u>19,996,703</u>
Non-current liabilities			
Borrowings		733,824	73,625
Unearned revenue	10	367,288	233,789
Deferred income tax liabilities		4,000	4,000
		<u>1,105,112</u>	<u>311,414</u>
Total liabilities		<u>24,741,166</u>	<u>20,308,117</u>
NET ASSETS		<u>43,076,859</u>	<u>37,697,554</u>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		33,731,412	33,972,254
Other reserves		(13,127,964)	(14,122,248)
Retained profits		18,856,809	15,562,255
		<u>39,460,257</u>	<u>35,412,261</u>
Non-controlling interests		<u>3,616,602</u>	<u>2,285,293</u>
Total equity		<u>43,076,859</u>	<u>37,697,554</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Interim Financial Report for the financial period ended 30 September 2021

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Capital reserve	Employee share plan reserve	Retained profits			
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Half-year FY2022									
Opening balance as at 1 Apr 2021	33,972,254	(11,394,993)	(666,982)	(2,339,023)	278,750	15,562,255	35,412,261	2,285,293	37,697,554
Profit for the period	-	-	-	-	-	3,294,554	3,294,554	911,341	4,205,895
Other comprehensive income/(loss) for the period	-	(6,827)	89,375	-	-	-	82,548	48,173	130,721
Total comprehensive income for the period	-	(6,827)	89,375	-	-	3,294,554	3,377,102	959,514	4,336,616
Share buy-back	(240,842)	-	-	-	-	-	(240,842)	-	(240,842)
Value of employee services	-	-	-	59,516	979,698	-	1,039,214	210,521	1,249,735
Performance rights exercised	-	-	-	(11,886)	(188,224)	-	(200,110)	200,110	-
Options exercised	-	-	-	91,505	(74,033)	-	17,472	72,528	90,000
Dilution of subsidiary without change in control	-	-	-	55,160	-	-	55,160	(111,364)	(56,204)
Total transactions with owners of the Company, recognised directly in equity	(240,842)	-	-	194,295	717,441	-	670,894	371,795	1,042,689
Closing balance as at 30 Sep 2021	33,731,412	(11,401,820)	(577,607)	(2,144,728)	996,191	18,856,809	39,460,257	3,616,602	43,076,859

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Interim Financial Report for the financial period ended 30 September 2021

Half-year FY2021

Opening balance as at 1 Apr 2020

Profit for the period

Other comprehensive income/(loss) for the period

Total comprehensive income for the period

Share buy-back

Dilution of subsidiary without change in control

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

Closing balance as at 30 Sep 2020

	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\$
Opening balance as at 1 Apr 2020	34,455,641	(11,395,788)	(47,644)	(2,310,515)	7,615,639	28,317,333	1,058,535	29,375,868
Profit for the period	-	-	-	-	6,590,154	6,590,154	620,179	7,210,333
Other comprehensive income/(loss) for the period	-	36,841	(413,970)	-	-	(377,129)	(9,865)	(386,994)
Total comprehensive income for the period	-	36,841	(413,970)	-	6,590,154	6,213,025	610,314	6,823,339
Share buy-back	(62,181)	-	-	-	-	(62,181)	-	(62,181)
Dilution of subsidiary without change in control	-	-	-	32,787	-	32,787	119,394	152,181
Total transactions with owners of the Company, recognised directly in equity	(62,181)	-	-	32,787	-	(29,394)	119,394	90,000
Closing balance as at 30 Sep 2020	34,393,460	(11,358,947)	(461,614)	(2,277,728)	14,205,793	34,500,964	1,788,243	36,289,207

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS



Interim Financial Report for the financial period ended 30 September 2021

	Half-year ended 30 Sep 2021 S\$	Half-year ended 30 Sep 2020 S\$
Cash flows from operating activities		
Profit before income tax	4,511,637	7,804,292
Adjustments for:		
- Net fair value gain of investment securities held at fair value through profit or loss	(3,065,993)	(4,749,292)
- Net loss/(gain) on disposal of investment securities held at fair value through profit or loss	2,462,069	(1,304,107)
- Dividend income	(54,967)	(422,695)
- Interest income	(78,260)	(39,091)
- Depreciation of property, plant and equipment	833,512	834,855
- Amortisation of intangible assets	264,622	131,729
- Property, plant and equipment written off	1,023	11,213
- Bad debt written off	-	83,029
- (Write-back of)/credit loss allowance	(10,394)	49,119
- Finance costs	22,507	22,677
- Employee share plan expense	1,190,219	-
- Share of (loss)/profit attributable to the unit holders of redeemable participating shares	(857,495)	1,362,543
- Exchange differences	45,818	(260,014)
	5,264,298	3,524,258
Change in working capital:		
- Trade and other receivables	(1,251,127)	29,207
- Financial assets, at FVPL	(9,476,996)	(1,115,694)
- Trade and other payables	(449,608)	618,654
- Unearned revenue	956,971	2,027,565
Cash (used in)/generated from operations	(4,956,462)	5,083,990
Interest received	78,260	39,091
Dividend received	54,967	422,695
Interest paid	-	-
Income tax (paid)/refund	(378,512)	119,303
Net cash (used in)/provided by operating activities	(5,201,747)	5,665,079
Cash flows from investing activities		
Additions to non-controlling interest without a change in control	(71,774)	-
Proceeds from sale of non-controlling interest without a change in control	-	150,093
Proceeds from loan to non-related parties	-	600,000
Additions to property, plant and equipment	(297,393)	(125,442)
Additions to intangible assets	(636,425)	(251,825)
Net cash (used in)/provided by investing activities	(1,005,592)	372,826
Cash flows from financing activities		
Proceeds from options	90,000	-
Shares buy-back	(240,842)	(62,181)
Repayment of principal portion of lease liabilities	(532,936)	(689,541)
Proceeds from borrowings	1,000,000	-
Repayment of principal portion of bank borrowings	(106,701)	-
Interest paid	(21,057)	(22,677)
Net proceeds received from fund's non-controlling unit holders	3,774,339	24,158
Net cash provided by/(used in) financing activities	3,962,803	(750,241)
Net (decrease)/increase in cash and cash equivalents	(2,244,536)	5,287,664
Cash and cash equivalents		
Beginning of financial period	26,819,650	18,442,385
Effects of currency translation on cash and cash equivalents	65,838	(184,381)
End of financial period	24,640,952	23,545,668

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

1. Corporate 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 as follows:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		
			30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021	
Held by the Company:									
8 Investment Pte. Ltd.	Business management consultancy	Singapore	100	100	100	100	-	-	
VI Fund Management Pte. Ltd. (formerly known as 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	-	-	
8VI Holdings Limited	Investment holding and management consultancy services	Singapore	78.7	79.5	78.7	79.5	21.3	20.5	
8BIT Global Pte. Ltd. (a)	Computer programming and data processing and hosting	Singapore	42.0	42.0	82.2	82.6	17.8	17.4	
8 Business Pte. Ltd.	Business management consultancy	Singapore	100	100	100	100	-	-	
8IH VCC	Investment trading	Singapore	100	-	100	-	-	-	
Held through 8VI Holdings Limited									
8VI Global Pte. Ltd.	Seminar and programs organiser	Singapore	-	-	78.7	79.5	21.3	20.5	
8VI FIN Singapore Pte. Ltd.	Advisory services	Singapore	-	-	55.1	-	44.9	-	
Held through 8VI Global Pte. Ltd									
8VI Malaysia Sdn. Bhd.	Seminar and programs organiser	Malaysia	-	-	78.7	79.5	21.3	20.5	
8VI Taiwan Co., Ltd	Seminar and programs organiser	Taiwan	-	-	55.1	55.7	44.9	44.3	
8VIC (Thailand) Company Limited	Dormant	Thailand	-	-	72.1	72.1	27.9	28.0	
8VI China Pte. Ltd.	Business management consultancy	Singapore	-	-	51.2	51.7	48.8	48.3	
8VIC Singapore Pte. Ltd.	Struck off	Singapore	-	-	-	79.5	-	20.5	
Value Investing College Pte. Ltd.	Dormant	Singapore	-	-	78.7	79.5	21.3	20.5	
Held through 8VI Malaysia Sdn. Bhd.									
8VIC JooY Media Sdn. Bhd.	Agency and media	Malaysia	-	-	78.7	79.5	21.3	20.5	
8VI FIN Malaysia Sdn. Bhd.	Advisory services	Malaysia	-	-	55.1	-	44.9	-	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

1. Corporate information (continued)

The principal activities of its subsidiaries are as follows: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
Held through 8VI China Pte. Ltd.								
8VI China (Shanghai) Co. Ltd 信益安(上海)实业有限公司	Business and management consultancy services	People's Republic of China	-	-	51.2	51.7	48.8	48.3
Held through 8VI China (Shanghai) Co. Ltd.								
Shanghai Ba Tou Culture Media Co. Ltd 上海巴投文化传媒有限公司	Dormant	People's Republic of China	-	-	51.2	51.7	48.8	48.3
Held through 8 Investment Pte. Ltd.								
Vue at Red Hill Pte. Ltd.	Struck off	Singapore	-	-	-	100	-	-
Held through 8IH Global Limited								
Hidden Champions Fund	Investment trading	Mauritius	-	-	100	100	-	-

(a) There are capital and financial requirements imposed on the subsidiary by Monetary Authority Singapore (MAS) as a licensed financial advisor.

(i) The subsidiary is required to meet a minimum base capital of S\$250,000, by the sum of:

- 1) paid-up ordinary share capital;
- 2) paid-up irredeemable and non-cumulative preference share capital; and
- 3) any unappropriated profit or loss in the latest audited accounts of the Company, less any interim loss in the latest accounts and any dividend that has been declared since the latest audited accounts.

(ii) The subsidiary is also required to maintain minimum financial requirements at the higher of S\$150,000 paid-up capital or one quarter of relevant annual expenditure of the immediately preceding financing year.

(iii) The subsidiary is also required to maintain continuing financial requirements, net asset value of not less than:

- 1) One-quarter of its relevant annual expenditure of the immediately preceding financial year; or
- 2) Three-quarters of the minimum paid-up capital required; whichever is higher.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

2. Basis of preparation and changes in accounting policies

The condensed consolidated interim financial information for the half-year ended 30 September 2021 has been prepared in accordance with FRS 34, Interim Financial Reporting.

The condensed consolidated interim financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements as at 30 September 2021 and any public announcements made by 8I Holdings Limited during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

The financial statements are presented in Singapore Dollars (SGD or S\$).

3. Significant accounting judgement and estimates

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Critical judgements in applying the entity's accounting policies

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.

For personal use only

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

4. Revenue and investment income

	Half-year ended 30 Sep 2021 S\$	Half-year ended 30 Sep 2020 S\$
Revenue		
<u>Type of good or service</u>		
Subscription income	4,697,087	1,887,831
Programme fee	12,910,206	9,480,710
Commission income	32,364	22,953
Others	-	7,882
	17,639,657	11,399,376
<u>Timing of transfer of good or service</u>		
At a point in time	12,942,570	9,701,215
Over time	4,697,087	1,698,161
	17,639,657	11,399,376
Investment gain from public markets		
Fair value gain on investment securities	3,065,993	4,749,292
(Loss)/gain on sale of investment securities	(2,462,069)	1,304,107
Dividend income	54,967	422,695
	658,891	6,476,094

5. Other income

	Half-year ended 30 Sep 2021 S\$	Half-year ended 30 Sep 2020 S\$
Other income		
Interest income	78,260	39,091
Government grants	96,792	669,129
Seminar room rental	-	58,125
Others	1,128,320	42,448
	1,303,372	808,793

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

6. Income taxes

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

7. Earnings per share

The basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation. The following table reflects the profit and share data used in the computation of basic earnings per share for the period ended 30 September:

	Half-year ended 30 Sep 2021 S\$	Half-year ended 30 Sep 2020 S\$
Net profit attributable to equity holders of the Company (S\$)	3,294,554	6,590,154
Weighted average number of ordinary shares outstanding for basic earnings per share	<u>358,652,401</u>	<u>361,472,696</u>
Basic earnings per share (S\$ cent per share)	<u>0.92</u>	<u>1.82</u>

The Company does not have other instruments which may have effect to dilute ordinary shares.

For personal use only

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

8. Trade and other receivables

	30 Sep 2021 S\$	31 Mar 2021 S\$
Current		
Trade receivables		
- Non-related parties (a)	317,735	387,505
Other receivables		
- Non-related parties	56,412	281,187
- Others	1,151,307	399,575
Deposits	886,939	657,054
Prepayments	1,139,315	589,002
Credit loss allowance	(150,726)	(161,062)
	3,400,982	2,153,261
Non-current		
Other receivables (b)	534,850	521,050
Credit loss allowance	(169,150)	(169,150)
	365,700	351,900

(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.

(b) Non-current other receivables fair value approximates carrying amount. Included in the non-current other receivables are loans to third parties of S\$365,700 (31 Mar 2021: S\$351,900). The loans bear interest at 4.5% to 6% per annum.

9. Development of software

	30 Sep 2021 S\$	31 Mar 2021 S\$
Cost		
Beginning of financial period	1,323,061	649,965
Additions	636,425	673,096
End of financial period	1,959,486	1,323,061
Accumulated amortisation		
Beginning of financial period	532,660	219,526
Amortisation charge	264,622	313,134
End of financial period	797,282	532,660
Net book value	1,162,204	790,401
Amortisation expense included in the statement of comprehensive income is analysed as follows:		
	Half-year ended 30 Sep 2021 S\$	Half-year ended 30 Sep 2020 S\$
Administrative expenses	264,622	131,729

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

10. Unearned revenue

	30 Sep 2021 S\$	31 Mar 2021 S\$
Advances from customer		
- Current	10,344,865	9,521,393
- Non-current	367,288	233,789
	<u>10,712,153</u>	<u>9,755,182</u>

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.

11. Redeemable participating shares

	30 Sep 2021 S\$	31 Mar 2021 S\$
As at beginning of period	5,359,489	3,927,686
Proceeds received from fund's non-controlling unit holders	4,015,628	1,755,829
Payment to fund's non-controlling unit holders	(241,289)	(1,117,410)
Share of (loss)/profit attributable to the unit holders of redeemable participating shares	(959,514)	1,062,173
Currency translation differences	10,685	(268,789)
As at end of period	<u>8,184,999</u>	<u>5,359,489</u>

8IH VCC and Hidden Champions Fund are investment funds with redeemable participating shares. These shares relate to amounts payable to non-controlling unit holders of the redeemable participating shares in 8IH VCC and 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 CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

12. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorised fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Financial instruments measured at fair value

The following table shows an analysis of each class of financial instruments measured at fair value at the end of the reporting period:

Fair value measurements at the end of the reporting period using

	Quoted prices in active markets for identical instruments <u>Level 1</u> S\$	Significant observable inputs other than quoted prices <u>Level 2</u> S\$	Unobservable inputs <u>Level 3</u> S\$	<u>Total</u> S\$
As at 30 Sep 2021				
Assets measured at fair value				
Financial assets:				
Financial assets, at FVPL	34,949,133	-	-	34,949,133
Financial assets, at FVOCI	215,239	-	1,053,141	1,268,380
Financial assets as at 30 Sep 2021	35,164,372	-	1,053,141	36,217,513
As at 31 Mar 2021				
Assets measured at fair value				
Financial assets:				
Financial assets, at FVPL	24,868,213	-	-	24,868,213
Financial assets, at FVOCI	222,041	-	1,053,141	1,275,182
Financial assets as at 31 Mar 2021	25,090,254	-	1,053,141	26,143,395

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

13. Contingent liabilities

The Group does not have any significant contingent liability at the end of the financial period.

14. 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.
- **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.

For personal use only

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2021

14. 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			
	S\$	S\$	S\$			
30 Sep 2021						
Revenue and investment gains						
Total segment revenue and investment gains	7,880,241	828,891	5,800,076	5,181,802	293,974	19,984,984
Inter-segment revenue and investment gains	(1,085,136)	(170,000)	(137,326)	-	(293,974)	(1,686,436)
Revenue and investment gains to external parties	6,795,105	658,891	5,662,750	5,181,802	-	18,298,548
Profit after tax	2,088,663	733,823	589,347	1,920,410	(1,126,348)	4,205,895

30 Sep 2021						
Segment assets	18,750,624	15,963,733	6,756,812	9,137,158	17,209,698	67,818,025
Segment assets includes additions to:						
- property, plant and equipment	934,016	-	137,890	30,708	5,015	1,107,629
- development of software	-	-	-	636,425	-	636,425
Segment liabilities	(7,106,050)	(4,926,378)	(3,778,335)	(8,621,026)	(309,377)	(24,741,166)

	← Singapore →		Malaysia	All other segments	Corporate	TOTAL
	Financial Education	Financial Investment	Financial Education			
	S\$	S\$	S\$			
30 Sep 2020						
Revenue and investment gains						
Total segment revenue and investment gains	4,712,249	5,625,689	4,835,446	2,309,217	997,637	18,480,238
Inter-segment revenue and investment gains	(135,596)	-	(128,849)	-	(340,323)	(604,768)
Revenue and investment gains to external parties	4,576,653	5,625,689	4,706,597	2,309,217	657,314	17,875,470
Profit after tax	1,151,964	3,727,232	1,891,149	234,568	205,420	7,210,333

31 Mar 2021						
Segment assets	12,669,879	18,471,694	7,454,423	6,757,323	12,652,352	58,005,671
Segment assets includes additions to:						
- property, plant and equipment	457,322	-	63,208	53,753	13,151	587,434
- development of software	-	-	-	673,096	-	673,096
Segment liabilities	(5,663,857)	(5,542,563)	(4,029,543)	(4,507,167)	(564,987)	(20,308,117)

For personal use only

For personal use only



8I Holdings Limited

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

www.8iholdings.com

Offices

Singapore

Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233

T: +65 6801 4500

Australia

C/- SmallCap Corporate Pty Ltd, Suite 6, 295 Rokeby Road, Subiaco WA, Australia, 6008

T: +61 (8) 6555 2950

F: +61 (8) 6166 0261

Follow Us On:

Facebook: www.facebook.com/8IHoldings

Linkedin: www.linkedin.com/company/8iholdings