



8I Holdings Limited (ASX: 8IH)
(Incorporated in the Republic of Singapore)
Company Registration Number: 201414213R
ARBN 601 582 129

ASX Interim Report – 30 September 2019

Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the 31 March 2019 Financial Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year period ended 30 September 2018)

	S\$	Up/Down	% Movement
Revenue and investment income	4,795,777	Up	152%
Loss after tax from ordinary activities attributable to members	(1,187,926)	Down	-86.8%
Net loss attributable to members	(1,187,926)	Down	-87.4%

Dividend information	Amount per share	Franked amount per share	Tax rate for
	(Singapore cent)	(Singapore cent)	franking credit
Not applicable	NIL	NIL	NIL

	30.9.2019	30.9.2018
Net tangible assets per security	S\$0.09	S\$0.09

This information should be read in conjunction with the FY2019 Annual Financial Report of 8I Holdings Limited and its subsidiaries and any public announcements made in the period by 8I Holdings Limited in accordance with the continuous disclosure requirements of the Company Act (Chapter 50) and Listing Rules.

Additional Appendix 4D disclosure requirements can be found in the Director's Statement and the consolidated financial statements for the six months ended 30 September 2019.

This report is based on the consolidated financial statements for the six months ended 30 September 2019 of 8I Holdings Limited and its subsidiaries, which have been reviewed by KLP LLP. The Independent Auditor's Review Report provided by KLP LLP is included in the consolidated financial statements for the six months ended 30 September 2019.

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FINANCIAL STATEMENTS

For the six months ended 30 September 2019

2020 INTERIM REPORT

Fintech

Asset Management

Financial Education



**8I Holdings Limited
and its Subsidiaries**

ASX code: 8IH

Company registration number 201414213R

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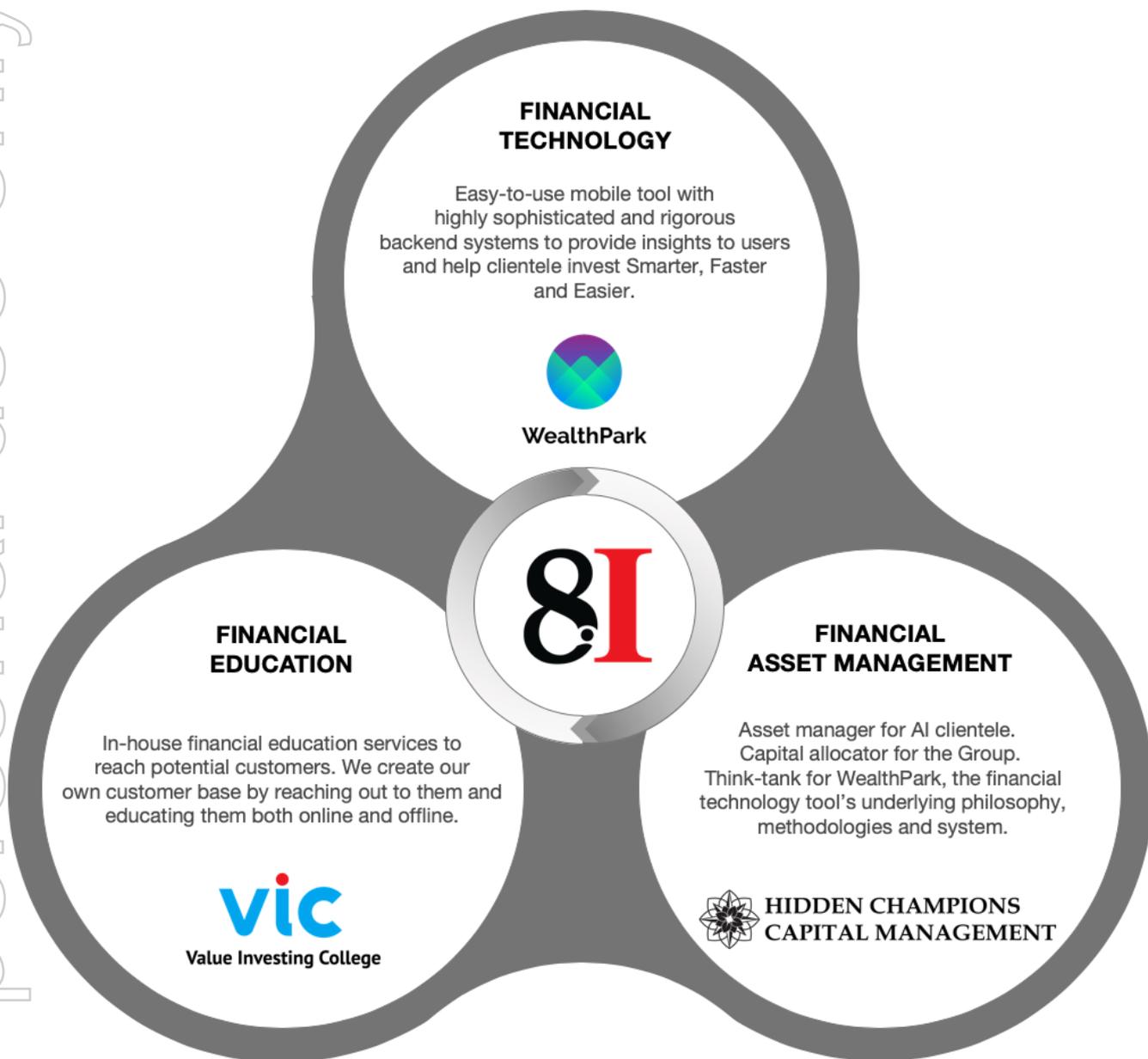
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About 8I Holdings Limited

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

The Group is the leading financial education provider in Singapore and Malaysia through 8VIC Holdings Ltd (“8VIC”) and 8IH China Pte Ltd (“8IHC”), with offices in Singapore, Malaysia, Thailand, Taiwan and Shanghai, supporting a community of value investors from 29 cities globally. Through Hidden Champions Capital Management Pte Ltd (“HCCM”), the Group operates a licensed fund management business in Singapore, investing in public listed equities in 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. The Group also invests in private businesses with hidden value and good operational track record. As a strategic investor, the goal is to value-add and create synergy amongst 8IH’s business ecosystem. 8Bit Global Pte Ltd (“8Bit”), a joint-venture between 8IH and 8VIC, provides smart screening and proprietary investing analysis tools and passive investment products to enable the man-on-the-street to invest smarter, faster and easier.



8I Ecosystem

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



Financial and Operations Review

The Group achieved a revenue of S\$5.3 million in the first half of FY2020, with a narrowing of losses to S\$1.5 million as compared to a loss of S\$8.9 million in the corresponding period for the previous financial year. This result was mainly due to the fair value loss in the Hidden Champions Fund (“HCF”) which was partially offset by the improved performance of 8VIC Holdings Ltd (“8VIC”).

In addition, according to the newly implemented FRS 116, all office lease rentals, which were previously classified as operating lease under FRS 17 as an off-balance sheet item, will henceforth be recognised on the balance sheet. This resulted in the Group recognising a right-of-use assets and corresponding lease liabilities of S\$1.8 million. While this change does not significantly impact our bottom line, the recognition of the lease liabilities resulted in a slight increase of our gearing ratios. However, the Group is well within its ability to service the lease obligations, which is mainly the rental of office space.

As we continue with the implementation of our plans according to the transformation roadmap of the Group, we remain cognisant of the challenges and similarly, hopeful of the opportunities that lie ahead of us.

Financial Education

Under the leadership of the renewed management team, 8VIC has improved its bottom line in the first half of FY2020. Through our initial efforts launched earlier this year to control the segment’s operational expenses and streamline its business process performance, the financial education segment has returned to profitability as shown in the Segment Information.

Financial Technology

The team continues to incorporate WealthPark in programmes and activities of the financial education segment and suitable components of the ecosystem as part of our drive to build on the month-to-month growth momentum for active and paid users. On 1st September 2019, the WealthPark team launched a major update for its key features, including refined Star Chart classification and enhanced IV Line calculation matrix for users. Development of WealthPark remains on track with a focus on community-centric features to better serve our users and target audience.

**We Empower People
To Create Sustainable Wealth
Through Value Investing**

Financial Asset Management

The listed securities under the Hidden Champions Fund registered unrealised segmental losses of S\$0.8 million as of end September 2019. While HCF Class 1 entered April 2019 on a high note with an 8.7% return since the restructuring in October 2018, our positions were greatly affected in the subsequent months, with volatility returning to the markets due to threats of an escalating trade war between US and China and the turbulent markets in Hong Kong. Additionally in the period leading up to September 2019, the emergence of an unsubstantiated short-seller report further affected one of our larger positions. Although all the points raised in the report have been cleared by an independent consultant recently, the timing was unfortunate and dampened our returns for HCF Class 1. For the first half of FY2020, the Class 1 portfolio recorded a negative 9.66% return but has since recovered as of October 2019, bringing our returns to a slightly better, but still disappointing 2.76% down. As our underlying portfolio companies continue to show improving fundamentals of growing revenue and profitability, we are confident that HCF will weather these challenging times.

Meanwhile, we would like to thank our shareholders for their unwavering support and to extend our appreciation for the tenacious efforts of our team as we press on to implement and realise our digitalisation and transformation plans.

Directors' Statement

8I Holdings Limited and its subsidiaries

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 2019 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 Board of Directors,



Chee Kuan Tat, Ken

Director



Clive Tan Che Koon

Director

Singapore

29 November 2019



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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 2019 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 2019, and of its financial performance and its cash flows for the six-month period then ended in accordance with FRSs 34.

KLP LLP
Public Accountants and Chartered Accountants

Singapore, 29 November 2019

Condensed Interim Consolidated Statement of Comprehensive Income

Interim Financial Report for the financial period ended 30 September 2019

	Notes	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Continuing operations			
Revenue	4	5,321,555	9,619,463
Investment loss	4	(525,778)	(7,714,423)
Other gains	5	-	404,917
Other income	5	248,680	648,671
Expenses			
Cost of sales and services		(1,421,140)	(2,977,350)
Administrative expenses		(3,396,530)	(6,090,267)
Marketing and other operating expenses		(2,072,313)	(3,065,411)
Impairment of goodwill		-	(1,554,542)
Finance costs		(41,863)	(12,850)
Share of profit attributable to the unit holders of redeemable participating shares		551,024	1,967,885
Share of results of associated company		(37,001)	15,022
Loss before tax		(1,373,366)	(8,758,885)
Income tax expense	6	(99,366)	(169,562)
Loss for the period from continuing operations		(1,472,732)	(8,928,447)
Discontinued operations			
Profit for the period from discontinued operations		-	15,177
Loss for the period		(1,472,732)	(8,913,270)
Other comprehensive income/(expense):			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation		163,840	500,510
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in the fair value of financial assets, at FVOCI / available-for-sale financial assets		(143,274)	(991,168)
Other comprehensive income/(expense) for the period, net of tax		20,566	(490,658)
Total comprehensive loss for the period		(1,452,166)	(9,403,928)
Loss attributable to:			
Equity holders of the Company		(1,187,926)	(8,972,086)
Non-controlling interest		(284,806)	58,816
		(1,472,732)	(8,913,270)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,176,392)	(9,441,228)
Non-controlling interest		(275,774)	37,300
		(1,452,166)	(9,403,928)

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Condensed Interim Consolidated Statement of Comprehensive Income

Interim Financial Report for the financial period ended 30 September 2019

	Notes	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Earnings per share (S\$ per share)			
From continuing and discontinued operations			
Basic	7	<u>(0.0033)</u>	<u>(0.0248)</u>
Diluted	7	<u>(0.0033)</u>	<u>(0.0248)</u>
From continuing operations			
Basic	7	<u>(0.0033)</u>	<u>(0.0248)</u>
Diluted	7	<u>(0.0033)</u>	<u>(0.0248)</u>

The above condensed interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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Condensed Interim Consolidated Statement of Financial Position

As at 30 September 2019

	Notes	30 Sep 2019 S\$	31 Mar 2019 S\$
ASSETS			
Current assets			
Cash and cash equivalents		12,645,283	12,382,781
Trade and other receivables	8	4,658,281	4,773,835
Financial assets, at FVPL		19,523,856	20,379,148
Current income tax asset		230,363	213,438
		37,057,783	37,749,202
Non-current assets			
Other receivables	8	962,486	931,673
Plant and equipment		539,027	625,925
Intangible assets	9	336,417	183,138
Investment in associated company	10	1,281,855	1,294,603
Financial assets, at FVOCI		1,555,272	1,698,880
Right-of-use assets		1,786,928	-
Deferred income tax assets		177,627	178,865
		6,639,612	4,913,084
Total assets		43,697,395	42,662,286
LIABILITIES			
Current liabilities			
Trade and other payables		1,523,104	1,530,854
Lease liabilities		1,321,281	18,566
Current income tax liabilities		935	106,498
Unearned revenue	11	3,549,826	3,072,795
Redeemable participating shares	12	4,879,075	5,582,278
		11,274,221	10,310,991
Non-current liabilities			
Lease liabilities		508,935	17,857
Deferred income tax liabilities		4,000	4,000
		512,935	21,857
Total liabilities		11,787,156	10,332,848
NET ASSETS		31,910,239	32,329,438
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		34,455,641	34,491,447
Other reserves		(13,313,017)	(13,793,142)
Retained profits		9,686,505	10,874,431
		30,829,129	31,572,736
Non-controlling interests		1,081,110	756,702
Total equity		31,910,239	32,329,438

The above condensed interim consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Interim Consolidated Statement of Changes in Equity

Interim Financial Report for the financial period ended 30 September 2019

Half-year FY2020

Group

← Attributable to equity holders of the Company →

	Share capital	Fair value reserve	Currency translation reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Opening balance as at 1 Apr 2019	34,491,447	(11,078,218)	(405,377)	(2,309,547)	10,874,431	31,572,736	756,702	32,329,438
Loss for the period	-	-	-	-	(1,187,926)	(1,187,926)	(284,806)	(1,472,732)
Other comprehensive income/(loss) for the period	-	(143,274)	154,808	-	-	11,534	9,032	20,566
Total comprehensive income/(loss) for the period	-	(143,274)	154,808	-	(1,187,926)	(1,176,392)	(275,774)	(1,452,166)
Shares buy-back	(35,806)	-	-	-	-	(35,806)	-	(35,806)
Dilution of subsidiary without change in control	-	-	-	468,591	-	468,591	600,182	1,068,773
Total transactions with equity holders, recognised directly in equity	(35,806)	-	-	468,591	-	432,785	600,182	1,032,967
Closing balance as at 30 Sep 2019	34,455,641	(11,221,492)	(250,569)	(1,840,956)	9,686,505	30,829,129	1,081,110	31,910,239

Condensed Interim Consolidated Statement of Changes in Equity

Interim Financial Report for the financial period ended 30 September 2019

The above condensed interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Half-year FY2019

Group

	← Attributable to equity holders of the Company →							
	Share capital	Fair value reserve	Currency translation reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Opening balance as at 1 Apr 2018	34,422,910	(10,088,712)	(913,252)	132,424	21,073,166	44,626,536	3,372,158	47,998,694
Loss for the period	-	-	-	-	(8,972,086)	(8,972,086)	58,816	(8,913,270)
Other comprehensive (loss)/income for the period	-	(991,168)	522,026	-	-	(469,142)	(21,516)	(490,658)
Total comprehensive (loss)/income for the period	-	(991,168)	522,026	-	(8,972,086)	(9,441,228)	37,300	(9,403,928)
Shares buy-back	(89,881)	-	-	-	-	(89,881)	-	(89,881)
Issue of new shares	220,655	-	-	-	-	220,655	-	220,655
Dilution of subsidiary without change in control	-	-	-	(9,310)	-	(9,310)	71,990	62,680
Total transactions with equity holders, recognised directly in equity	130,774	-	-	(9,310)	-	121,464	71,990	193,454
Closing balance as at 30 Sep 2018	34,553,684	(11,079,880)	(391,226)	123,114	12,101,080	35,306,772	3,481,448	38,788,220

The above condensed interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Interim Consolidated Statement of Cash Flows

Interim Financial Report for the financial period ended 30 September 2019

	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Cash flows from operating activities		
Total loss	(1,472,732)	(8,913,270)
Adjustments for:		
- Income tax expense	99,366	169,562
- Net fair value loss on investment securities held at fair value through profit or loss	830,293	8,681,224
- Net loss on disposal of investment securities held at fair value through profit or loss	334,185	187,799
- Dividend income	(638,700)	(1,154,600)
- Interest income	(129,305)	(198,413)
- Depreciation of plant and equipment	183,303	478,760
- Amortisation of intangible assets	44,462	-
- Depreciation of right-of-use assets	710,229	-
- Amortisation of prepayments	-	275,000
- Impairment loss on plant and equipment	-	71,349
- Impairment of goodwill	-	1,554,542
- Credit loss allowance	84,098	(38,424)
- Finance costs	41,863	12,850
- Loss recognised on the re-measurement to fair value less cost to sell	-	334,115
- Share of loss attributable to the unit holders of redeemable participating shares	(551,024)	(1,967,885)
- Share of results of associated company	37,001	(15,022)
- Exchange differences	153,802	684,384
	(273,159)	161,971
Change in working capital:		
- Trade and other receivables	120,410	(907,046)
- Inventories	-	(507,834)
- Financial assets, at FVPL	(197,521)	(3,383,134)
- Unearned revenue	477,031	(2,454,063)
- Trade and other payables	(7,749)	4,461,058
Cash provided by/(used in) operations	119,012	(2,629,048)
Interest received	-	14,702
Dividend received	638,700	1,154,600
Interest paid	(825)	(12,850)
Income tax paid	(221,853)	(536,969)
Net cash provided by/(used in) operating activities	535,034	(2,009,565)
Cash flows from investing activities		
Additions to plant and equipment	(96,405)	(224,920)
Additions to financial assets through other comprehensive income	(12,814)	(1,033,125)
Additions to intangible assets (software development expenditure)	(197,741)	(406,183)
Proceeds from sale of non-controlling interest without a change in control	1,068,773	-
Repayment of loan by an external party	100,000	3,500,000
Loan to employee	(90,464)	-
Reduction in pledged deposits	-	5,000,000
Net cash provided by investing activities	771,349	6,835,772

Condensed Interim Consolidated Statement of Cash Flows

Interim Financial Report for the financial period ended 30 September 2019

	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Cash flows from financing activities		
Shares buy-back	(35,806)	(89,881)
Repayment of lease liabilities	(744,230)	(19,222)
Repayment of redemption by fund's non-controlling unit holders	(263,845)	(280,143)
Issue of new shares	-	220,655
Proceeds received from non-controlling interest	-	90,000
Proceeds received from fund's non-controlling unit holders	-	672,351
Net cash (used in)/provided by financing activities	(1,043,881)	593,760
Net increase in cash and cash equivalents	262,502	5,419,967
Cash and cash equivalents at beginning of the period	12,382,781	14,118,234
Cash and cash equivalents at end of the period	12,645,283	19,538,201

For the purpose of presenting the condensed interim consolidated statement of cash flow, cash and cash equivalents comprise the following:

	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Cash and cash equivalents		
- Continuing operations	12,645,283	16,429,958
- Discontinued operations	-	3,108,243
Cash and cash equivalents per consolidated statement of cash flow	12,645,283	19,538,201

The above condensed interim consolidated statement of cash flow should be read in conjunction with the accompanying notes.

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

1. Corporate information

8I Holdings Limited (Registration No. 201414213R) (the "Company") is listed on the Australian Securities Exchange (ASX) 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 the subsidiaries are as follows:

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 2019 %	31 Mar 2019 %	30 Sep 2019 %	31 Mar 2019 %	30 Sep 2019 %	31 Mar 2019 %	
Held by the Company:									
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	50	50	85.5	85.5	14.5	14.5	
8 Business Pte. Ltd.	Dormant	Singapore	100	100	100	100	-	-	
Held through 8 Investment Pte. Ltd.									
Fusion 462 Pte. Ltd.	Dormant	Singapore	-	-	100	100	-	-	
Oxford Views Pte. Ltd.	Dormant	Singapore	-	-	100	100	-	-	
Vue at Red Hill Pte. Ltd.	Dormant	Singapore	-	-	100	100	-	-	
Held through 8IH Global Limited									
Hidden Champions Fund	Investment trading	Mauritius	-	-	100	100	-	-	
8IH China Pte. Ltd.	Business management consultancy	Singapore	-	-	65	65	35	35	
Held through 8IH China Pte. Ltd.									
8IH China (Shanghai) Co. Ltd 信益安(上海)实业有限公司	Business and management consultancy services	People's Republic of China	-	-	65	65	35	35	
Held through 8IH China (Shanghai) Co. Ltd									
Shanghai Rong Dao Culture Communication Co. Ltd 上海融道文化传播有限公司	Seminar and programs organiser	People's Republic of China	-	-	39.8	44.2	60.2	55.8	

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

1. Corporate information (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 2019	31 Mar 2019	30 Sep 2019	31 Mar 2019	30 Sep 2019	31 Mar 2019
Held through 8VIC Holdings Limited								
8VIC Global Pte. Limited	Seminar and programs organizer	Singapore	-	-	79.9	79.9	20.1	20.1
Held through 8VIC Global Pte. Limited								
8VIC Malaysia Sdn. Bhd.	Seminar and programs organiser	Malaysia	-	-	79.9	79.9	20.1	20.1
8VIC (Thailand) Company Limited	Seminar and programs organiser	Thailand	-	-	72.3	55.9	27.7	44.1
8VIC Taiwan Co., Ltd	Seminar and programs organizer	Taiwan	-	-	55.9	55.9	44.1	44.1
8VIC (Australia) Pty Ltd	Dormant	Australia	-	-	79.9	71.9	20.1	28.1
8VIC Singapore Pte. Ltd.	Dormant	Singapore	-	-	47.9	47.9	52.1	52.1
Value Investing College Pte. Ltd.	Dormant	Singapore	-	-	79.9	79.9	20.1	20.1
Held through 8VIC Malaysia Sdn. Bhd.								
8VIC JooY Media Sdn. Bhd.	Agency and media	Malaysia	-	-	55.9	55.9	44.1	44.1

2. Basis of preparation and changes in accounting policies

The condensed consolidated interim financial information for the half-year ended 30 September 2019 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 31 March 2019 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\$).

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

2. Basis of preparation and changes in accounting policies (continued)

2.1 New and amended standards adopted by the group

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 116 Leases:

Adoption of FRS 116 Leases

When the Group is the lessee

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

On the adoption of FRS 116, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; Or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

2. Basis of preparation and changes in accounting policies (continued)

2.1 New and amended standards adopted by the group (continued)

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

	Increase S\$
Right-of-use assets	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 balance sheet as at 1 April 2019 are as follows :

	S\$
Operating lease commitment disclosed as at 31 March 2019	2,372,000
Less: Discounting effect using weighted average incremental borrowing rate of 5%	(125,157)
Add: Finance lease liabilities recognised as at 31 March 2019	36,423
Lease liabilities recognised as at 1 April 2019	<u>2,283,266</u>

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 Judgments made in applying 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.

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Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

4. Revenue and investment income

	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Revenue		
Financial education program sales	4,458,802	7,984,290
Other education program sales	426,310	994,834
Advertising income	53,118	629,869
Others	383,325	10,470
	<u>5,321,555</u>	<u>9,619,463</u>
Investment loss		
Fair value loss on investment securities	(830,293)	(8,681,224)
Loss on sale of investment securities	(334,185)	(187,799)
Dividend income	638,700	1,154,600
	<u>(525,778)</u>	<u>(7,714,423)</u>

5. Other gains and other income

	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Other gains		
Gain on foreign exchange - net	-	404,917
		<u>404,917</u>
Other income		
Interest income	129,305	198,413
Others	119,375	450,258
	<u>248,680</u>	<u>648,671</u>

6. Income tax

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.

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

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 2019 S\$	Half-year ended 30 Sep 2018 S\$
Loss, net of tax, attributable to owners of the Company used in the computation of basic earnings per share	<u>(1,187,926)</u>	<u>(8,972,086)</u>
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation	<u>362,037,671</u>	<u>362,363,514</u>

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

8. Trade and other receivables

	30 Sep 2019 S\$	31 Mar 2019 S\$
Current		
Trade receivables	364,956	301,209
Other receivables:		
- non-related parties (Note a)	2,943,708	2,976,464
- others	458,264	676,331
Deposits	645,494	529,547
Prepayments	411,123	371,450
Credit loss allowance	(165,264)	(81,166)
	<u>4,658,281</u>	<u>4,773,835</u>
Non-current		
Other receivables (Note b)	<u>962,486</u>	<u>931,673</u>

(a) Advances were granted to a previously associated company amounting to S\$2,888,752 (31 Mar 2019: S\$2,922,358). These advances were secured by the borrower's assets, bears interest at 5% per annum and is repayable in 10 years from the commencement date or by notice from lender within 6 months requiring payment in full.

(b) Non-current other receivables fair value approximates carrying amount. Non-current other receivables comprise of promissory note of S\$253,493 (31 Mar 2019: S\$240,000) and loans to third parties of S\$708,993 (31 Mar 2019: S\$691,673).

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

9. Intangible assets

	30 Sep 2019 S\$	31 Mar 2019 S\$
Software Development Expenditure	<u>336,417</u>	183,138
	30 Sep 2019 S\$	31 Mar 2019 S\$
<i>Cost</i>		
At beginning of period	244,183	-
Additions	197,741	244,183
At end of period	<u>441,924</u>	<u>244,183</u>
<i>Accumulated amortization</i>		
At beginning of period	61,045	-
Amortisation charge	44,462	61,045
At end of period	<u>105,507</u>	<u>61,045</u>
Net book value	<u>336,417</u>	<u>183,138</u>

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

	Half-year ended 30 Sep 2019 S\$	Half-year ended 30 Sep 2018 S\$
Administrative expenses	<u>44,462</u>	-

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

10. Investment in associated company

The Group's investment in associated company is as follows:

	30 Sep 2019 S\$	31 Mar 2019 S\$
CT Hardware Sdn. Bhd.	<u>1,281,855</u>	<u>1,294,603</u>

Name of associated company	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			30 Sep 2019	31 Mar 2019
Held through subsidiary:				
CT Hardware Sdn. Bhd.	Malaysia	Trading of power tools, machine and equipment	49.9%	49.9%

The carrying amount of investment in an associated company has changed as follows in the financial period up to 30 September 2019:

	30 Sep 2019 S\$	31 Mar 2019 S\$
As at beginning of period	1,294,603	1,263,908
Share of profit/(loss) for the period	(37,001)	46,114
Translation difference	24,253	(15,419)
As at end of period	<u>1,281,855</u>	<u>1,294,603</u>

11. Unearned revenue

	30 Sep 2019 S\$	31 Mar 2019 S\$
Unearned revenue	<u>3,549,826</u>	<u>3,072,795</u>

This represents revenue received from customers but not yet recognised to the profit or loss due to services were not yet rendered as at reporting date.

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

12. Redeemable participating shares

	30 Sep 2019 S\$	31 Mar 2019 S\$
As at beginning of period	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	(263,845)	(463,304)
Share of loss attributable to the unit holders of redeemable participating shares	(551,024)	(1,953,397)
Currency translation differences	111,666	258,029
As at end of period	4,879,075	5,582,278

This amount relates to payable to non-controlling unit holders of redeemable participating shares in Hidden Champions Fund. The unit holders are entitled to redeem its shares in cash at the option of the holder.

13. Contingent liabilities

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

14. 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:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

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.

Notes to the Condensed Interim Financial Statements

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14. Fair value of assets and liabilities (continued)

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	Significant observable inputs other than quoted prices	Unobservable inputs	Total
	(Level 1) S\$	(Level 2) S\$	(Level 3) S\$	S\$
As at 30 Sep 2019				
Assets measured at fair value				
Financial assets:				
Financial assets, at FVPL	19,523,856	-	-	19,523,856
Financial assets, at FVOCI	507,864	1,047,408	-	1,555,272
Financial assets as at 30 Sep 2019	20,031,720	1,047,408	-	21,079,128
As at 31 Mar 2019				
Assets measured at fair value				
Financial assets:				
Financial assets, at FVPL	20,379,148	-	-	20,379,148
Financial assets, at FVOCI	651,472	1,047,408	-	1,698,880
Financial assets as at 31 Mar 2019	21,030,620	1,047,408	-	22,078,028

The fair value of financial instruments that are not traded in an active market (attributable to the holders of participating rights) is determined based net asset value of Hidden Champions Fund according to the proportionate of the holders of participating rights.

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 (FVPL) and financial assets at fair value through other comprehensive income (FVOCI)) 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 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 2019

15. Segment information

The Group is organised into geographic business units based on management reporting structure and organisational set-up, in line with the main business divisions driving the growth of the Group.

Geographically, management manages and monitors the business in two primary geographic areas namely Singapore and Malaysia, where the Company and certain subsidiaries operate. Based on the management reporting structure, management reviews the business segments' performance and to make strategic decisions.

The segments under the reporting model are as follows:

- **Education:** involved in financial education and training providers in Asia, via its flagship course "Value Investing Bootcamp", which focus on educating its students on the principles and techniques of value investing.
- **Investment in Public Markets:** involved in investment in listed equities in the Asia-Pacific through a focused strategy of investing in undervalued companies with unique, scalable and resilient business models run by aligned owner-operators to provide the foundation for sustainable long-term growth and to achieve long-term investment returns.
- **Investment in Private Markets:** involved in strategic investment in private businesses which have strong and sustainable business models, with long-term growth potential.
- **Digital and Media (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:** includes subsidiaries that just commenced operations in China, Taiwan, Thailand and Australia, providing financial education and training.

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

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

15. Segment information (continued)

	Singapore			Malaysia				
	Education	Investment in Public Markets	Investment in Private Markets	Education	Investment in Private Markets	All other segments	Corporate	TOTAL
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
30 Sep 2019								
Revenue and investment income								
Total segment revenue and investment income	3,136,817	(474,486)	-	1,631,168	-	428,951	1,063,405	5,785,855
Inter-segment revenue and investment income	(219,850)	(51,292)	-	(38,855)	-	-	(680,081)	(990,078)
Revenue and investment income to external parties	2,916,967	(525,778)	-	1,592,313	-	428,951	383,324	4,795,777
Profit/(loss) after tax	431,271	(543,481)	-	45,325	(37,001)	(830,316)	(538,530)	(1,472,732)
30 Sep 2019								
Segment assets	5,508,186	24,383,899	95,097	1,243,453	1,281,855	3,167,396	8,017,509	43,697,395
Segment assets includes additions to:								
- plant and equipment	4,182	-	-	55,332	-	35,912	979	96,405
- intangible assets	-	-	-	-	-	197,741	-	197,741
Segment liabilities	(3,371,480)	(4,960,833)	-	(831,862)	-	(1,957,768)	(665,213)	(11,787,156)

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

15. Segment information (continued)

	Singapore			Malaysia		Digital and Media (discontinued)	All other segments	Corporate	Adjustments and eliminations	TOTAL
	Education	Investment in Public Markets	Investment in Private Markets	Education	Investment in Private Markets					
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
30 Sep 2018										
Revenue and investment income										
Total segment revenue and investment income	3,133,088	(7,435,519)	122,332	1,947,970	368,560	9,383,252	4,121,175	1,087,444	(9,383,252)	3,345,050
Inter-segment revenue and investment income	(263,426)	(278,904)	(120,000)	-	-	-	-	(777,680)	-	(1,440,010)
Revenue and investment income to external parties	2,869,662	(7,714,423)	2,332	1,947,970	368,560	9,383,252	4,121,175	309,764	(9,383,252)	1,905,040
Impairment of goodwill	(1,554,542)	-	-	-	-	-	-	-	-	(1,554,542)
Profit/(loss) after tax	(2,256,016)	(6,396,043)	(225,361)	166,410	(33,751)	15,177	(94,289)	(89,397)	-	(8,913,270)
31 Mar 2019										
Segment assets	5,178,608	25,514,164	746,570	968,264	1,294,603	-	1,763,675	7,196,402	-	42,662,286
Segment assets includes additions to:										
- plant and equipment	118,467	-	-	122,923	91,828	-	16,254	28,173	-	377,645
- intangible assets	-	-	-	-	-	-	244,183	-	-	244,183
Segment liabilities	(1,783,854)	(5,619,542)	-	(729,456)	-	-	(1,531,034)	(668,962)	-	(10,332,848)

Notes to the Condensed Interim Financial Statements

Interim Financial Report for the financial period ended 30 September 2019

16. Events occurring after reporting date

Subsequent to the reporting date, the Group has entered into a sale and purchase agreement for the sale of 41.2% equity interest in Shanghai Rong Dao Culture Communication Co. Ltd (“Rong Dao”) to the management of Rong Dao for a consideration of RMB 686,680 (“Transaction”).

Rong Dao started in 2016 as a financial education promoter in China. In the past year, Rong Dao has been providing mainly non-financial education and training programmes in China. It has a net asset value of approximately S\$200,000 and has contributed a net loss of approximately S\$250,000 to the Group in the financial period.

The Group aimed to divest its non-core businesses and to focus its resources on growing in its key business segments. The Group will seek to expand its financial education business in China through its subsidiary, 8IH China (Shanghai) Co. Ltd.

Upon completion of the Transaction, the Group’s effective interest in Rong Dao will be reduced from 39.8% to 13.0%, in which Rong Dao will cease to be a subsidiary of the Group. The Group will recognise an unaudited disposal gain of approximately S\$100,000 from this Transaction.

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General Information

As at 30 September 2019

Directors	Mr Chee Kuan Tat, Ken (Non-Executive Chairman) Mr Clive Tan Che Koon (Executive Director) Mr Chay Yiowmin (Non-Executive Director) Mr Charles Mac (Non-Executive Director)
Company secretary (Singapore)	Mr Ang Teck Huat
Company secretary (Australia)	Mr Louis Chua Chun Woei
Company registration number	201414213R
ARBN	601 582 129
Registered office (Singapore)	Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233 Tel: +65 6801 4500
Registered office (Australia)	C/- SmallCap Corporate Pty Ltd, Suite 6, 295 Rokeby Road, Subiaco WA, Australia, 6008 Tel: +61 (8) 6555 2950 Fax: +61 (8) 6166 0261
Principal place of business	Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233
Share registrar	Boardroom Pty Limited Level 7, 207 Kent Street, Sydney, NSW, Australia 2000 Tel: +61 (2) 9290 9600 Fax: +61 (2) 9279 0664
Stock exchange listing	8I Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: 8IH)
Website	www.8iholdings.com

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Our Mission

We Empower People to Create Sustainable Wealth

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8I Holdings Limited

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

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