



**8VIC HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET (ASX APPENDIX 4E)  
&  
ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR  
ENDED 31 MARCH 2020**

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**About 8VIC Holdings Limited**

8VIC Holdings Limited ("8VI") operates under the VI brand within the FinTech and Financial Education space. With offices in Singapore, Malaysia, Taiwan and Shanghai, VI is the leading financial education provider in the discipline of value investing 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.



**8VIC Holdings Limited (ASX: 8VI)**  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 201505599H  
ARBN 605 944 198

## RESULTS FOR ANNOUNCEMENT TO THE MARKET (ASX APPENDIX 4E)

For the financial year from 1 April 2019 to 31 March 2020

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to financial year ended 31 March 2019)

	S\$	Up/Down	% Movement
Revenue from ordinary activities	10,859,351	Down	-51.3%
Profit after tax from ordinary activities attributable to members	1,072,047	Up	122.0%
Net profit attributable to members	1,072,047	Up	122.0%

### EXPLANATION FOR REVENUE FROM ORDINARY ACTIVITIES

The decline in revenue from ordinary activities 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 Asia Pacific. The Digital and Marketing Segment had contributed revenue of S\$9,383,252 in previous financial year prior to disposal.

### EXPLANATION FOR PROFIT AFTER TAX FROM ORDINARY ACTIVITIES AND NET PROFIT ATTRIBUTABLE TO MEMBERS

The increase in profit after tax from ordinary activities and net profit attributable to members by S\$5,939,392 are attributable to the improvement in results of the Financial Education segment as well as the absence of the one-off impairment of S\$2,848,083 in previous financial year.

Dividend information	Amount per share (Singapore cent)	Franked amount per share (Singapore cent)	Tax rate for franking credit
Final FY2020 dividend per share	NIL	NIL	NIL
		<b>31.3.2020</b>	<b>31.3.2019</b>
<b>Net tangible assets per security</b>		<b>S\$0.110</b>	<b>S\$0.093</b>

This information should be read in conjunction with the FY2020 Annual Financial Report of 8VIC Holdings Limited and its subsidiaries and any public announcements made in the period by 8VIC Holdings Limited in accordance with the continuous disclosure requirements of the Companies Act (Chapter 50) and Listing Rules.

Additional Appendix 4E disclosure requirements can be found in the Directors' statement and the consolidated financial statements for the financial year ended 31 March 2020.

This report is based on the consolidated financial statements which have been audited by KLP LLP.

# OPERATIONS AND FINANCIALS REVIEW

For the financial year ended 31 March 2020

## Business Segment Report

2020 marks the year of massive business transformation for 8VI into a technology company. Formerly known to the market as an offline education provider, the launch of 8VI's FinEduTech platform, VI (read as "vee"), marks a paradigm shift in the way we conduct our business. We are no longer only an offline education provider but have become a portal for investors seeking knowledge through a host of recurring subscription products and a community of lifelong learning opportunities.



With FinTech as a key driver of growth and customer experience while staying true to our principles and roots in Value Investing, the business has also been restructured thoroughly; from streamlining and synergizing internal teams to focus on Acquisition, Retention and Technology Development, to the refinement of our outward business strategy and shift towards a recurring revenue model.

Our VI Community has been the cornerstone of 8VI's success, and the team has persisted with its efforts through FY2020 to cultivate and engage meaningfully with the community through various activities and trending topics. The launch of VI Social Bubble within VI App in early 2020 facilitates the opportunity for direct knowledge exchange among investors and potentially companies. As we improve user experience and incorporate aspects of AI and ML over time, we expect a marked improvement in information flow to users, with VI Social Bubble becoming a powerful aggregation of market sentiments providing insights into investor behavior.

In the process of building engagement through the generation of our social media content, the Acquisition team has also created and accumulated valuable digital assets in which the team has been working to repurpose across different region and languages. As the team builds on the VI brand, we expect this to eventually lead to the growth of organic traffic with less reliance on the traditional mode of direct response marketing.

While more users are discovering the power and convenience of VI App, the continued success of VI App as a service will rely on good customer-centric experiences, including the interactions and support coming from the Retention team as well as the Technology Development required to build on and create new features for continuous improvements.

While we streamlined our business process performance and activities over the last financial year, our focus moving forward will be in our highly successful and well-adapted core language markets, i.e. English and Mandarin-speaking markets in Singapore, Malaysia, Taiwan and China. The team continues to work on global expansion with delivery of online programmes in a bid to improve efficiency and maintain safety for the entire team during and beyond this COVID-19 period.

# OPERATIONS AND FINANCIALS REVIEW

For the financial year ended 31 March 2020



Building engagement online with online programmes and webinar

## Financials

Under the renewed efforts of the current management and team members in the past year, 8VI has also regained its footing and is on its path back to a healthy baseline for its financials.

In FY2020, the Group's total revenue and other income is recorded at S\$11.1 million as compared to S\$22.6 million in FY2019. Disregarding the revenue from previously disposed Digital and Marketing businesses, the revenue stands at S\$12.9 million, representing a decrease of 14%.

The net profit after tax for FY2020 stands at S\$0.8 million as compared to a net loss after tax of S\$4.7 million in the previous financial year. Cash flow from operations have increased significantly to S\$3.9 million inflow (FY2019: S\$1.4 million outflow) while free cash flow stands at S\$4.2 million inflow (FY2019: S\$3.8 million outflow).

With the ever-evolving COVID-19 situation, the Company has since undertaken a range of business continuity measures beginning in the last quarter of FY2020 in accordance to local directives in numerous regions including Singapore and Malaysia. 8VI's operations and existing online services remain available and has expanded rapidly to accommodate the offsite training curriculum, catering to the rise of new consumption habits of users.

While the Board and Management continues to review its business activity and operations to ensure that the Company is well-positioned for future growth, 8VI is committed to protecting the health and well-being of its staff, customers and stakeholders while responding to changing conditions so it can continue to operate safely and effectively.



INVEST SMARTER, FASTER, EASIER

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# GENERAL INFORMATION

*For the financial year ended 31 March 2020*

<b>Directors</b>	Mr Clive Tan Che Koon (Non-Executive Chairman) Ms Pauline Teo Puay Lin (Executive Director) Mr Chee Kuan Tat, Ken (Executive Director) Mr Charles Mac (Non-Executive Director)
<b>Company Secretary (Singapore)</b>	Ms Amanda Thum Sook Fun
<b>Company Secretary (Australia)</b>	Mr Louis Chua Chun Woei
<b>Registered Office (Singapore)</b>	47 Scotts Road #03-03/04 Goldbell Towers Singapore 228233
<b>Registered Office (Australia)</b>	SmallCap Corporate Pty Ltd Suite 6, 295 Rokeby Road Subiaco WA 6008
<b>Principal place of business</b>	47 Scotts Road #03-03/04 Goldbell Towers Singapore 228233
<b>Share registrar</b>	Link Market Services Limited Level 4, Central Park 152-158 St Georges Terrace Perth WA 6000
<b>Auditor</b>	KLP LLP Public Accountants and Chartered Accountants 13A MacKenzie Road Singapore 228676 Partner in charge: Lim Yeong Seng
<b>Stock exchange listing</b>	8VIC Holdings Limited's shares are listed on the Australian Securities Exchange (ASX code: 8VI)
<b>Website</b>	<a href="http://www.8vicglobal.com">www.8vicglobal.com</a>

# DIRECTORS' STATEMENT

*For the financial year ended 31 March 2020*

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of 8VIC Holdings Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2020.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, 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.

## 2. Directors

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

Clive Tan Che Koon  
Pauline Teo Puay Lin  
Chee Kuan Tat, Ken  
Charles Mac

## 3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

## 4. Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

## 4. Directors' interests in shares or debentures (continued)

<u>Name of Directors</u>	<u>Direct interest</u>	
	<u>At the beginning of financial year</u>	<u>At the end of financial year</u>
<i>Ordinary shares of the Holding Company (8I Holdings Limited)</i>		
Clive Tan Che Koon	65,140,000	65,140,000
Pauline Teo Puay Lin	8,859,103	8,859,103
Chee Kuan Tat, Ken	<u>86,684,792</u>	<u>86,684,792</u>

## 5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

## 6. Auditor

KLP LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,



Chee Kuan Tat, Ken  
Director



Pauline Teo Puay Lin  
Director

Singapore, 29 May 2020

## **Independent Auditor's Report to the members of 8VIC Holdings Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of 8VIC 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 and the statement of changes in equity of the Company 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 and changes in equity of the Company 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 each 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 8VIC Holdings Limited  
 (continued)**

**Key audit matters (continued)**

Key audit matter in the audit of the Group	How our audit addressed the key audit matter
<p><b>Adoption of FRS 116 Leases</b>  <i>Refer to Note 3.1 (e)(f) (Critical judgements in applying the entity's accounting policies) and Note 16 (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 reflected 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> <li>6. Evaluated adequacy of the Group's disclosure in relation to leases including disclosure of associated judgements and estimates.</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(e)(f) to be reasonable.</p>

**Independent Auditor's Report to the members of 8VIC Holdings Limited  
 (continued)**

**Key audit matters (continued)**

Key audit matter in the audit of the Group	How our audit addressed the key audit matter
<p><b>Impact of the disruption to the operations due to Covid 19</b>  <i>Refer to Note 28</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 Financial Education 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>We considered the impact of COVID-19 to be a key audit matter in view that the Group is in an industry which is mainly affected by the COVID-19 namely, education sector.</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 8VIC Holdings Limited  
(continued)**

**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 identified above when it becomes available 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.

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

**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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 8VIC 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 Company'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.

**Independent Auditor's Report to the members of 8VIC Holdings Limited  
(continued)**

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

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.

**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 FINANCIAL POSITION - GROUP

As At 31 March 2020

	Note	Group	
		2020 S\$	2019 S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,572,875	521,566
Intangible assets	5	439,744	-
Investments in associated companies	7	-	147,818
Financial assets, at FVOCI	8	7,443	8,219
Deferred tax assets	16	264,331	178,865
		<b>2,284,393</b>	<b>856,468</b>
<b>Current assets</b>			
Trade and other receivables	9	1,629,839	1,221,093
Current tax assets		91,960	132,355
Prepayment		133,980	164,523
Financial assets, at FVPL	8	402,305	181,542
Cash and cash equivalents	10	7,433,590	4,702,031
		<b>9,691,674</b>	<b>6,401,544</b>
<b>Total assets</b>		<b>11,976,067</b>	<b>7,258,012</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	11	12,895,103	12,895,103
Accumulated losses		(3,438,606)	(4,510,653)
Foreign currency translation reserve	12	(61,801)	(66,857)
Other reserves	13	(4,490,583)	(4,546,552)
		<b>4,904,113</b>	<b>3,771,041</b>
Non-controlling interests		<b>243,255</b>	<b>303,138</b>
<b>Total equity</b>		<b>5,147,368</b>	<b>4,074,179</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,648,235	1,247,801
Unearned revenue	15	3,845,802	1,721,306
Lease liabilities	16	1,146,938	18,567
Provision for income tax		116,150	174,302
		<b>6,757,125</b>	<b>3,161,976</b>
<b>Non-current liabilities</b>			
Lease liabilities	16	67,574	17,857
Deferred tax liabilities	17	4,000	4,000
		<b>71,574</b>	<b>21,857</b>
<b>Total liabilities</b>		<b>6,828,699</b>	<b>3,183,833</b>
<b>Total equity and liabilities</b>		<b>11,976,067</b>	<b>7,258,012</b>

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

# STATEMENT OF FINANCIAL POSITION - COMPANY

As At 31 March 2020

	Note	Company	
		2020	2019
		S\$	S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	6	<b>2,568,393</b>	2,290,443
		<b>2,568,393</b>	2,290,443
<b>Current assets</b>			
Trade and other receivables	9	<b>587,747</b>	122,259
Prepayment		<b>10,093</b>	27,269
Cash and cash equivalents	10	<b>288,525</b>	1,422,314
		<b>886,365</b>	1,571,842
<b>Total assets</b>		<b>3,454,758</b>	3,862,285
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	11	<b>77,423,174</b>	77,423,174
Accumulated losses		<b>(74,075,327)</b>	(73,618,732)
<b>Total equity</b>		<b>3,347,847</b>	3,804,442
<b>Current liabilities</b>			
Trade and other payables	14	<b>90,811</b>	57,843
Unearned revenue	15	<b>16,100</b>	-
<b>Total liabilities</b>		<b>106,911</b>	57,843
<b>Total equity and liabilities</b>		<b>3,454,758</b>	3,862,285

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

	Note	2020 S\$	2019 S\$
<b>Revenue</b>	18	10,859,351	22,291,337
Cost of sales and services		<u>(2,957,453)</u>	<u>(9,998,631)</u>
<b>Gross profit</b>		7,901,898	12,292,706
Other income	19	236,121	351,233
<b>Other items of expense</b>			
Administrative expenses		(3,699,332)	(7,655,304)
Marketing and other expenses		(3,352,423)	(7,478,184)
Finance costs		(81,574)	(2,402)
Impairment of goodwill		-	(1,585,013)
Share of results of associated companies		(135,939)	(252,182)
<b>Profit/(Loss) before tax</b>	20	<u>868,751</u>	<u>(4,329,146)</u>
Income tax expense	22	(89,330)	(386,518)
<b>Profit/(Loss) after tax</b>		779,421	(4,715,664)
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		40,922	(29,609)
Cumulative translation differences in respect of net assets of the subsidiary reclassified from equity to profit or loss upon disposal of a subsidiary		-	(12,948)
		<u>40,922</u>	<u>(42,557)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Financial assets, at FVOCI			
- Fair value losses – equity investments		(746)	-
<b>Other comprehensive income/(loss), net of tax</b>		<u>40,176</u>	<u>(42,557)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u>819,597</u>	<u>(4,758,221)</u>
<b>Total profit/(loss) after tax attributable to:</b>			
Owners of the Company		1,072,047	(4,867,345)
Non-controlling interests		(292,626)	151,681
		<u>779,421</u>	<u>(4,715,664)</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		1,076,357	(4,905,349)
Non-controlling interests		(256,760)	147,128
		<u>819,597</u>	<u>(4,758,221)</u>
<b>Earnings per share (cents per share)</b>	23		
Basic		2.64	(11.57)
Diluted		2.64	(11.57)

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

	Share capital	Accumulated profits/(losses)	Foreign currency translation reserve	Other reserves	Total equity to owners of the Company	Non-controlling interest	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Group</b>							
<b>Balance as at 1 April 2018</b>	14,872,793	356,692	(28,853)	(4,533,629)	10,667,003	569,900	11,236,903
Loss for the year	-	(4,867,345)	-	-	(4,867,345)	151,681	(4,715,664)
Foreign currency translation	-	-	(25,056)	-	(25,056)	(4,553)	(29,609)
Cumulative translation differences in respect of net assets of the subsidiary reclassified from equity to profit or loss upon disposal of a subsidiary	-	-	(12,948)	-	(12,948)	-	(12,948)
Total comprehensive (loss)/income for the year	-	(4,867,345)	(38,004)	-	(4,905,349)	147,128	(4,758,221)
<u>Contributions by and distributions to owners</u>							
Dilution of subsidiary without change in control	-	-	-	(12,923)	(12,923)	48,229	35,306
Disposal of subsidiaries (Note 6)	(1,977,690)	-	-	-	(1,977,690)	(462,119)	(2,439,809)
Total transactions with owners in their capacity as owners	(1,977,690)	-	-	(12,923)	(1,990,613)	(413,890)	(2,404,503)
<b>Balance as at 31 March 2019</b>	<b>12,895,103</b>	<b>(4,510,653)</b>	<b>(66,857)</b>	<b>(4,546,552)</b>	<b>3,771,041</b>	<b>303,138</b>	<b>4,074,179</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

	Share capital	Accumulated profits/(losses)	Foreign currency translation reserve	Other reserves	Total equity to owners of the Company	Non-controlling interest	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Group</b>							
<b>Balance as at 1 April 2019</b>	12,895,103	(4,510,653)	(66,857)	(4,546,552)	3,771,041	303,138	4,074,179
Profit/(Loss) for the year	-	1,072,047	-	-	1,072,047	(292,626)	779,421
Other comprehensive income/(loss), net of tax	-	-	5,056	(746)	4,310	35,866	40,176
Total comprehensive income/(loss) for the year	-	1,072,047	5,056	(746)	1,076,357	(256,760)	819,597
<u>Contributions by and distributions to owners</u>							
Dilution of non-controlling interest	-	-	-	56,715	56,715	(64,195)	(7,480)
Acquisition of subsidiaries	-	-	-	-	-	261,072	261,072
Total transactions with owners in their capacity as owners	-	-	-	56,715	56,715	196,877	253,592
<b>Balance as at 31 March 2020</b>	<b>12,895,103</b>	<b>(3,438,606)</b>	<b>(61,801)</b>	<b>(4,490,583)</b>	<b>4,904,113</b>	<b>243,255</b>	<b>5,147,368</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

	Share capital	Accumulated losses	Total equity
Note	S\$	S\$	S\$
<b>Company</b>			
<b>Balance as at 1 April 2018</b>	79,400,864	(46,304,895)	33,095,969
Total comprehensive loss for the year	-	(27,313,837)	(27,313,837)
<u>Contributions by and distribution to owners</u>			
Disposal of subsidiaries	(1,977,690)	-	(1,977,690)
Total transactions with owners in their capacity as owners	(1,977,690)	(27,313,837)	(29,291,527)
<b>Balance as at 31 March 2019</b>	<b>77,423,174</b>	<b>(73,618,732)</b>	<b>3,804,442</b>
Total comprehensive loss for the year	-	(456,595)	(456,595)
<b>Balance as at 31 March 2020</b>	<b>77,423,174</b>	<b>(74,075,327)</b>	<b>3,347,847</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

	2020	2019
	S\$	S\$
<b>Cash flows from operating activities</b>		
Profit/(Loss) before income tax	868,751	(4,329,146)
<i>Adjustments for:</i>		
Amortisation of prepayment	-	50,000
Amortisation of software development expenditure	97,967	-
Depreciation of property, plant and equipment	1,694,801	567,356
Plant and equipment written off	-	38,499
Finance cost	81,574	2,402
Impairment of financial assets	74,635	958,070
Impairment of non-financial assets	-	305,000
Fair value loss in financial assets at FVPL	4,392	-
Gain on disposal of an associate	(8,121)	-
Impairment of goodwill	-	1,585,013
Interest income	(12,704)	(58,073)
Dividend income	(6,511)	(6,674)
Share of results of associated company	135,939	252,182
Unrealised exchange loss	34,959	29,637
<b>Operating cash flow before changes in working capital</b>	<b>2,965,682</b>	<b>(605,734)</b>
Working capital changes in:		
Inventories	-	(507,834)
Trade and other receivables	(451,537)	(279,447)
Prepayment	45,936	337,830
Trade and other payables	132,933	220,521
Unearned revenue	1,408,402	(206,416)
Cash generated from/(used in) operating activities	4,101,416	(1,041,080)
Interest income	12,704	58,073
Dividend income	6,511	6,674
Income tax paid	(191,061)	(426,276)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,929,570</b>	<b>(1,402,609)</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(168,815)	(259,576)
Additions to software development expenditure	(188,059)	-
Acquisition of subsidiaries, net of cash acquired	936,828	-
Disposal of subsidiaries, net of cash outflow	-	(3,108,243)
Disposal/(Investment) in associated companies	20,000	(430,000)
Dilution of non-controlling interest	(7,481)	-
Dilution of subsidiary without change in control	-	40,983
Investment in financial assets at FVPL	(226,169)	-
Loan to non-related party	(91,997)	-
Withdrawal of fixed deposits	-	1,311,280
<b>Net cash generated from/(used in) investing activities</b>	<b>274,307</b>	<b>(2,445,556)</b>
<b>Cash flows from financing activity</b>		
Repayment of lease liabilities	(1,474,008)	(20,888)
<b>Net cash used in financing activity</b>	<b>(1,474,008)</b>	<b>(20,888)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,729,869</b>	<b>(3,869,053)</b>
Cash and cash equivalents at the beginning of financial year	4,702,031	8,569,179
Effect of currency translation on cash and cash equivalents	1,690	1,905
<b>Cash and cash equivalents at the end of financial year (Note 10)</b>	<b>7,433,590</b>	<b>4,702,031</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 and should be read in conjunction with the accompanying financial statements.

## 1. Corporate information

### 1.1 General

8VIC Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Australian Securities Exchange (ASX). The registered office and principal place of business of the Company is located at 47 Scotts Road #03-03/04 Goldbell Towers, Singapore 228233.

The principal activities of the Company are investment holding and management consultancy services.

The immediate and ultimate holding company is 8I Holdings Limited, which is incorporated and domiciled in Singapore and is listed on the Australian Securities Exchange (ASX).

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs), under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of 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.

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

### Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group has adopted the new or amended FRSs and Interpretations of FRSs (“INT FRSs”) 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 FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs 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

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### Interpretations and amendments to published standards effective in 2019 (continued)

##### Adoption of FRS 116 Leases (continued)

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 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;
  - 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 S\$
Property, plant and equipment	2,497,157
Lease liabilities	2,497,157

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### Interpretations and amendments to published standards effective in 2019 (continued)

##### Adoption of FRS 116 Leases (continued)

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:

Operating lease commitment disclosed as at 31 March 2019	S\$ 2,350,443
Add: Undisclosed operating lease commitment	254,004
	<hr/> 2,604,447
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	<hr/> 2,533,581

### 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) Commission income

Commission income is recognised when the corresponding service is provided.

#### (c) 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.

#### (d) Programme fees

This comprises of providing financial education and training services. Revenue is recognised when the training has been conducted. The Company will record contractual liabilities for advance payment made for the training. There is no change to timing of revenue recognition from FRS 115.

#### (e) Interest income

Interest income is recognised using the effective interest method.

#### (f) 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. Summary of 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.

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

### 2.4 Group accounting

#### (a) Subsidiaries

##### (i) Consolidation

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

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

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.4 Group accounting (continued)

#### (a) Subsidiaries (continued)

##### (ii) Acquisitions (continued)

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 on acquisitions" for the subsequent accounting policy on goodwill.

##### (iii) Disposals

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

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

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

#### (b) Transactions with non-controlling interests

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

#### (c) Associated companies

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.4 Group accounting (continued)

#### (c) Associated companies (continued)

##### (i) Acquisitions

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

##### (ii) Equity method of accounting

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

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

##### (iii) Disposals

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.5 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.

#### (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)".

### 2.6 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.6 Intangible assets (continued)

#### (a) Goodwill (continued)

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.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It has a finite useful life and is amortised over the period of expected future benefit (2 years) on a straight-line basis. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

### 2.7 Investments in subsidiaries and associated companies

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

### 2.8 Impairment of non-financial assets

#### (a) Goodwill

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.8 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.

### 2.9 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.9 Financial assets (continued)

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

##### *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.
- **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".

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### **(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.

#### **(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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### *(d) Recognition and derecognition (continued)*

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

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

### 2.10 Offsetting of financial instruments

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

### 2.11 Trade and other payables

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

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

### 2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.13 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.

#### **(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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.13 Leases (continued)

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.13 Leases (continued)

#### *(a) When the Group is the lessee (continued)*

- **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.

#### *(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 retains 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 recognise 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.

### 2.14 Income taxes

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.14 Income taxes (continued)

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.

### 2.15 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.

### 2.16 Employee compensation

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

#### ***Defined contribution plans***

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

#### ***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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.17 Currency translation

#### **(a) Functional and presentation currency**

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

#### **(b) Transactions and balances**

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the 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.

### 2.18 Segment reporting

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

### 2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at banks, cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2. Summary of significant accounting policies (continued)

### 2.20 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.

## 3. Critical accounting estimates, assumptions and judgments

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) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 26.

The carrying amount of the Group's trade receivables as at 31 March 2020 was S\$318,298 (2019: S\$313,208).

#### (b) 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 asset to be utilised.

#### (c) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amounts of the Group's property, plant and equipment as at 31 March 2020 was S\$1,572,875 (2019: S\$521,566).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 3. Critical accounting estimates, assumptions and judgments (continued)

### 3.1 Critical judgements in applying the entity's accounting policies (continued)

#### (d) Intangible assets

The Group estimates the useful lives to amortise intangible assets based on the future performance of the assets acquired and management's judgement of the period over which economic benefits will be derived from the assets. The estimated useful lives of intangible assets are reviewed periodically, taking into consideration factors such as changes in technology. The amount and timing of recorded expenses for any period would be affected by changes in the estimates. A reduction in the estimated useful lives of the intangible assets would increase the recorded expenses and decrease the non-current assets.

The cost of intangible asset is amortised on a straight-line basis over the assets' useful lives. Directors estimate the useful lives of these intangible assets to be 2 years.

#### (e) 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.

#### (f) 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 4. Property, plant and equipment

Group	Furniture and fittings	Office equipment	Motor vehicles	Office premises	Total
	S\$	S\$	S\$	S\$	S\$
<b>Cost</b>					
At 1 April 2018	1,370,881	532,382	105,851	-	2,009,114
Additions	100,832	158,744	-	-	259,576
Disposals	(10,893)	(11,685)	-	-	(22,578)
Written-off	(46,896)	(47,358)	-	-	(94,254)
Disposal of subsidiaries	(241,735)	(252,167)	-	-	(493,902)
Exchange differences	(4,877)	3,066	(1,723)	-	(3,534)
At 31 March 2019	<b>1,167,312</b>	<b>382,982</b>	<b>104,128</b>	-	<b>1,654,422</b>
Adoption of FRS116	-	-	-	2,497,157	2,497,157
	<b>1,167,312</b>	<b>382,982</b>	<b>104,128</b>	<b>2,497,157</b>	<b>4,151,579</b>
Additions	90,607	78,208	-	70,928	239,743
Acquisition of subsidiaries	1,320	1,624	-	-	2,944
Exchange differences	16,598	9,880	(345)	8,693	34,826
At 31 March 2020	<b>1,275,837</b>	<b>472,694</b>	<b>103,783</b>	<b>2,576,778</b>	<b>4,429,092</b>
<b>Accumulated depreciation</b>					
At 1 April 2018	538,908	293,843	47,633	-	880,384
Depreciation	424,296	122,205	20,855	-	567,356
Disposal	(908)	(9,980)	-	-	(10,888)
Written-off	(22,284)	(33,471)	-	-	(55,755)
Disposal of subsidiaries	(176,258)	(60,369)	-	-	(236,627)
Exchange differences	(9,063)	(1,746)	(805)	-	(11,614)
At 31 March 2019	<b>754,691</b>	<b>310,482</b>	<b>67,683</b>	-	<b>1,132,856</b>
Depreciation	235,604	57,357	20,649	1,381,191	1,694,801
Exchange differences	13,549	8,871	(116)	6,256	28,560
At 31 March 2020	<b>1,003,844</b>	<b>376,710</b>	<b>88,216</b>	<b>1,387,447</b>	<b>2,856,217</b>
<b>Net carrying amount</b>					
At 31 March 2019	412,621	72,500	36,445	-	521,566
At 31 March 2020	<b>271,993</b>	<b>95,984</b>	<b>15,567</b>	<b>1,189,331</b>	<b>1,572,875</b>

(a) The carrying amounts of motor vehicles held under finance leases are S\$15,567 (2019: S\$36,445) at the end of reporting period. The hire purchase liabilities had been fully settled at end of financial year.

(b) Right-of-use assets acquired under leasing arrangements are presented as "office premises".

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 4. Property, plant and equipment (continued)

	Furniture and fittings	Office equipment	Total
	S\$	S\$	S\$
<b>Company</b>			
<b>Cost</b>			
At 1 April 2018	2,497	18,454	20,951
Additions	(2,497)	(18,454)	(20,951)
At 31 March 2019 and 2020	-	-	-
<b>Accumulated depreciation</b>			
At 1 April 2018	902	12,416	13,318
Depreciation	416	3,077	3,493
Written off	(1,318)	(15,493)	(16,811)
At 31 March 2019 and 2020	-	-	-
<b>Net carrying amount</b>			
At 31 March 2019 and 2020	-	-	-

## 5. Intangible assets

	Group	
	2020	2019
	S\$	S\$
<i>Compositions:</i>		
Goodwill (a)	9,305	-
Trademark (b)	-	-
Software Development Expenditure (c)	430,439	-
	<b>439,744</b>	-

### (a) Goodwill

	Group	
	2020	2019
	S\$	S\$
<i>Cost</i>		
Beginning of financial year	-	2,148,994
Addition from acquisition of subsidiaries	9,305	-
Disposal of Digital and Marketing businesses	-	(563,981)
Impairment	-	(1,585,013)
End of financial year	<b>9,305</b>	-

In previous financial year, an impairment loss was recognised to the carrying amount of goodwill based on management assessment. The impairment loss of S\$Nil (2019: S\$1,585,013) has been recognised in consolidated statement of comprehensive income.

### (b) Trademark

	Group	
	2020	2019
	S\$	S\$
<i>Cost</i>		
Beginning of financial year	-	47,287
Additions	-	1,849
Disposal of Digital and Marketing businesses	-	(49,136)
End of financial year	-	-

Trademarks relate to the brands that the Group has registered in Singapore.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 5. Intangible assets (continued)

(c) Software Development Expenditure

	Group	
	2020	2019
	S\$	S\$
<i>Cost</i>		
Beginning of financial year	-	-
Acquisition of subsidiaries	<b>340,347</b>	-
Additions	<b>188,059</b>	-
End of financial year	<b>528,406</b>	-
<i>Accumulated amortisation</i>		
Beginning of financial year	-	-
Amortisation charged	<b>97,967</b>	-
End of financial year	<b>97,967</b>	-
Carrying amount	<b>430,439</b>	-

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

	Group	
	2020	2019
	S\$	S\$
Administrative expenses	<b>97,967</b>	-

## 6. Investment in subsidiaries

	Company	
	2020	2019
	S\$	S\$
Shares, at cost	<b>29,140,848</b>	31,883,429
Addition/(Disposal) of subsidiaries	<b>277,950</b>	(2,742,581)
Less: Allowance for impairment losses	<b>(26,850,405)</b>	(26,850,405)
	<b>2,568,393</b>	2,290,443

In previous financial year, the Company had provided an impairment loss of S\$26,850,405 which was to write down the carrying value of a subsidiary to its recoverable amount as the investment no longer represented by net assets of the investee.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 6. Investment in subsidiaries (continued)

### a) Composition of the Group

The Group has the following investment in subsidiaries.

Name	Principal place of business	Principal activities	Proportion of ownership interest	
			2020 %	2019 %
<u>Held by the Company</u>				
8VI Global Pte. Ltd. <sup>(a)</sup> (f.k.a 8VIC Global Pte. Limited)	Singapore	Conducting business courses	100	100
8Bit Global Pte. Ltd. <sup>(a)</sup>	Singapore	Computer programming and data processing and hosting	51	44.4*
<u>Held through 8VI Global Pte. Ltd.</u>				
8VIC Singapore Pte. Ltd. <sup>(a)</sup>	Singapore	Dormant	100	60
8VIC Malaysia Sdn. Bhd. <sup>(b)</sup>	Malaysia	Conducting business courses	100	100
8VIC Taiwan Co., Ltd. <sup>(d)</sup>	Taiwan	Conducting business courses	70	70
8VIC (Thailand) Co., Ltd. <sup>(d)</sup>	Thailand	Dormant	90.6	70
8VIC (Australia) Pty Ltd <sup>(d)</sup>	Australia	Dormant	100	90
Value Investing College Pte. Ltd. <sup>(d)</sup>	Singapore	Dormant	100	100
8VI China Pte. Ltd. <sup>(a)</sup> (f.k.a 8IH China Pte. Ltd.)	Singapore	Investment holdings	65	-
<u>Held through 8VIC Malaysia Sdn Bhd</u>				
JooY Media Sdn Bhd <sup>(c)</sup>	Malaysia	Agency and media	70	70
<u>Held through 8VI China Pte. Ltd.</u>				
8IH China (Shanghai) Co. Ltd <sup>(d)</sup>	People's Republic of China	Business and management consultancy services	65	-

<sup>(a)</sup> Audited by Group auditor, KLP LLP

<sup>(b)</sup> Audited by Crowe Malaysia PLT

<sup>(c)</sup> Audited by CWC & ENG PLT

<sup>(d)</sup> No statutory audit required

\* The Group holds 44.4% ownership in 8Bit Global Pte. Ltd. in 2019 and account for it as an associated company (Note 7).

### Significant restrictions

Cash and short-term deposits of S\$130,608 (2019: not applicable) 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.

### b) Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that are material to the Group.

Name	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
8Bit Global Pte. Ltd.	Singapore	49%	S\$ 65,763	S\$ 192,348

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 6. Investment in subsidiaries (continued)

### c) Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests, from date of acquisition, are as follows:

#### Summarised statement of financial position

	Subsidiary with material NCI	
	2020	2019
	S\$	S\$
Current		
Assets	1,099,951	-
Liabilities	(1,137,843)	-
Net current assets	(37,892)	-
Net assets	392,546	-

#### Summarised statement of comprehensive income

Revenue	539,972	-
Loss before tax	(134,209)	-
Income tax expense	-	-
Total comprehensive expense for the year	(134,209)	-

#### Other summarised information

Net cash flows from operating activities	56,568	-
Net cash flows from investing activities	(188,059)	-
Net cash flows from financing activities	500,000	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 6. Investment in subsidiaries (continued)

### d) Disposal of subsidiaries

On 1 October 2018, the Company completed the sale of four of its subsidiaries Digimatic Media Private Limited, Digimatic Creatives Pte. Ltd., WEWE Media Group Pte. Ltd. and Webbynomics Pte. Ltd. (together, "Digital and Marketing Businesses" or "Disposal Group") for a consideration of 3,031,974 Company's shares at A\$0.66 per share (the "Consideration Share").

	<b>Disposal Group</b>
	<b>S\$</b>
<b><u>Carrying amounts of assets and liabilities disposed</u></b>	
<b>Assets</b>	
Cash and cash equivalents	3,108,243
Trade and other receivables	2,139,986
Inventories	962,557
Plant and equipment	257,275
Financial assets, at FVOCI	100,000
	<u>6,568,061</u>
<b>Liabilities</b>	
Trade and other payables	2,337,036
Current income tax liabilities	82,724
Contractual liabilities	1,600,276
Deferred income tax liabilities	89,591
	<u>4,109,627</u>
<b>Carrying value of net assets</b>	<u><b>2,458,434</b></u>
Effect of the disposal of Disposal Group on cash flow:	
	<b>2019</b>
	<b>S\$</b>
<b>Consideration for 3,031,974 Company's shares in the form of share buy back (a)</b>	<b>1,977,690</b>
Carrying amount of assets and liabilities prior to disposal (b)	2,777,621
Less: Non-controlling interests	(462,119)
Less: Foreign currency translation reserve for Disposal Group	(18,625)
Carrying amount of assets and liabilities derecognised (c)	<u>2,296,877</u>
Impairment loss between consideration and carrying amount of tangible assets and liabilities derecognised (d=a-c)	(319,187)
<b>Net assets disposed of (per above) (e=b-d)</b>	<b>2,458,434</b>
<b>Total loss on disposal:</b>	
Impairment loss between consideration and carrying amount of tangible assets and liabilities derecognised (per above) (d=a-c)	(319,187)
Goodwill derecognised (Note 5) (f)	(563,981)
Total loss upon disposal (g=d+f)	<u>(883,168)</u>
Cash and cash equivalents in Disposal Group disposed of	(3,108,243)
<b>Net cash outflow on disposal</b>	<u><b>(3,108,243)</b></u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 6. Investment in subsidiaries (continued)

### e) Acquisition of subsidiaries

On 1 November 2019, the Company acquired 44.4% of investment in 8Bit Global Pte. Ltd. (previously an associated company, "8BG") from its subsidiary, 8VI Global Pte. Ltd. On the same date, 8BG has capital injection of S\$500,000, of which the Company has injected S\$257,950, which resulted in gain of control with total equity interest of 51%, hence 8BG has changed from associated company to subsidiary.

On 31 March 2020, the Group's subsidiary company, 8VI Global Pte Ltd. acquired 65% equity interest in 8VI China Pte. Ltd. from its holding company, 8I Holdings Limited.

The fair value of the identifiable assets and liabilities of acquired entities as at date of acquisition were:

	<b>Fair value recognised on acquisition S\$</b>
Property, plant and equipment	2,944
Software development expenditure	340,347
Trade and other receivables	27,355
Prepayment	15,396
Cash and cash equivalents	1,220,278
	<hr/>
	1,606,320
	<hr/>
Trade and other payables	(355,011)
Unearned revenue	(716,092)
	<hr/>
	(1,071,103)
	<hr/>
Total identifiable net assets at fair value	535,217
Less: Non-controlling interest	(261,072)
Goodwill from business acquisition	9,305
	<hr/>
<b>Consideration transferred</b>	<b>283,450</b>
	<hr/>
<u>Effects on cash flows</u>	
Cash paid (as above)	(283,450)
Cash and cash equivalents in subsidiary acquired	1,220,278
	<hr/>
<b>Cash inflow on acquisition</b>	<b>936,828</b>
	<hr/>

### Revenue and profit contribution

The acquired businesses contributed revenue of S\$539,972 and net loss of S\$134,209 to the Group since date of acquisition till end of financial year. Had the businesses been acquired from 1 April 2019, consolidated revenue and consolidated loss for the year ended 31 March 2020 would have been S\$1,462,421 and S\$718,115.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 7. Investment in associated companies

	<b>Group</b>	
	<b>2020</b>	2019
	<b>S\$</b>	S\$
8Bit Global Pte. Ltd.	-	147,818
At beginning of financial year	<b>147,818</b>	-
Investment in associated companies	-	430,000
Share of results of associated companies	<b>(135,939)</b>	(252,182)
Impairment loss	-	(30,000)
Disposal of associated company	<b>(11,879)</b>	-
<b>At end of financial year</b>	<b>-</b>	<b>147,818</b>

Set out below is the associated company of the Group as at 31 March 2020, which, in the opinion of the directors, is material to the Group. The associated company as listed below have share capital consisting solely of ordinary shares, which is held directly by the Group; the country of incorporation is also its principal place of business.

<u>Name of entity</u>	<u>Place of business/ country of incorporation</u>	<u>% of ownership interest</u>	
		2020	2019
<b>Held through 8VI Global Pte. Ltd.</b>			
8Bit Global Pte. Ltd.	Singapore	<b>51.0%*</b>	44.4%
Learnpod Pte. Ltd.	Singapore	<b>30.0%</b>	30.0%

\* The Group holds 51% ownership in 8Bit Global Pte. Ltd. in FY2020 and account for it as a subsidiary (Note 6).

8Bit Global Pte. Ltd. ("8BG") is principally involved in computer programming and data processing and hosting. There are no contingent liabilities relating to the Group's interest in the associated company. The Group had injected more capital into the associated company which is now a subsidiary of the Group (Note 6(e)).

Set out below is the summarised financial information for 8BG.

### **Summarised statement of financial position**

	<b>8BG</b>	
	<b>As at 31 March</b>	
	<b>2020</b>	2019
	<b>S\$</b>	S\$
<b>Current assets</b>	-	479,332
Includes:		
- Cash and cash equivalents	-	289,972
<b>Current liabilities</b>	-	(451,045)
Includes:		
- Financial liabilities (excluding trade payables)	-	(51,660)
<b>Non-current assets</b>	-	304,637
<b>Net assets</b>	-	332,924

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 7. Investment in associated companies (continued)

### Summarised statement of comprehensive income

	8BG	
	April 2019 – Oct 2019 S\$	Aug 2018 – Mar 2019 S\$
Revenue and other income	416,529	310,242
Expenses	(722,698)	(877,875)
Includes:		
- Amortisation	(20,014)	(101,546)
<b>Loss before tax</b>	<b>(306,169)</b>	<b>(567,633)</b>
Income tax credit	-	1,557
<b>Loss after tax</b>	<b>(306,169)</b>	<b>(566,076)</b>

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

### Reconciliation of summarised financial information

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

	8BG	
	April 2019 – Oct 2019 S\$	Aug 2018 – Mar 2019 S\$
At beginning of financial year/date of acquisition	332,924	856,216
Loss for the period	(306,169)	(523,292)
<b>At date of disposal/end of financial year</b>	<b>26,755</b>	<b>332,924</b>
<b>Carrying value - Interest in associated company (44.4%)</b>	<b>-</b>	<b>147,818</b>

## 8. Financial assets at FVPL and at FVOCI

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
<b>Current – listed quoted equity securities</b>				
Financial assets, at FVPL	402,305	181,542	-	-
<b>Non-current – listed quoted equity securities</b>				
Financial assets, at FVOCI	7,443	8,219	-	-
	409,748	189,761	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 9. Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Trade receivables				
- third parties	455,835	390,275	-	12,000
Less: Allowance for credit losses (Note 26(b))	(137,537)	(77,067)	-	-
Trade receivables (net)	318,298	313,208	-	12,000
Other receivables	339,006	191,925	40,671	24,571
Amount due from subsidiaries	-	-	547,076	85,688
Deposits	926,883	715,960	-	-
GST receivables	45,652	-	-	-
	<b>1,629,839</b>	<b>1,221,093</b>	<b>587,747</b>	<b>122,259</b>

Trade receivables are unsecured, non-interest bearing and are generally on 7 to 30 days terms (2019: 7 to 30 days).

Included in current deposits is a banker's guarantee of S\$190,000 (2019: S\$190,000) as required by Global Payments Asia Pacific (Hong Kong Holding) Limited in order to provide services in accordance to the merchant agreement.

### Related party balances

Amount due from subsidiaries are non-trade, unsecured, interest-free and with no fixed terms of repayment.

## 10. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Cash on hand	45,814	5,306	-	-
Cash at banks	4,377,776	2,954,525	288,525	1,422,314
Fixed deposits	3,010,000	1,742,200	-	-
	<b>7,433,590</b>	<b>4,702,031</b>	<b>288,525</b>	<b>1,422,314</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposit had maturity of one to three months and had a weighted average effective interest rates of 1.42% (2019: 0.20%) per annum of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 11. Share capital

	2020		2019	
	No. of shares <sup>(1)</sup>	S\$	No. of shares <sup>(1)</sup>	S\$
<b>Group</b>				
<b>Issued and fully paid ordinary shares</b>				
At beginning of financial year	40,545,622	12,895,103	43,577,596	14,872,793
Share buy back from disposal of Digital and Marketing businesses <sup>(2)</sup>	-	-	(3,031,974)	(1,977,690)
At end of financial year	<u>40,545,622</u>	<u>12,895,103</u>	<u>40,545,622</u>	<u>12,895,103</u>
<b>Company</b>				
<b>Issued and fully paid ordinary shares</b>				
At beginning of financial year	40,545,622	77,423,174	43,577,596	79,400,864
Share buy back from disposal of Digital and Marketing businesses <sup>(2)</sup>	-	-	(3,031,974)	(1,977,690)
At end of financial year	<u>40,545,622</u>	<u>77,423,174</u>	<u>40,545,622</u>	<u>77,423,174</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

<sup>(1)</sup> The equity structure (i.e. the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.

<sup>(2)</sup> On 1 October 2018, the Company acquired 3,031,974 shares through disposal of subsidiaries. The total fair value of the acquired shares was S\$1,977,690 and this was presented as share buy back from another shareholders.

## 12. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

## 13. Other reserves

Other reserves comprise of premium paid on acquisition of 49% non-controlling interest in 8VIC Singapore Pte. Ltd. during the financial year ended 31 March 2017.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 14. Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Trade payables				
- third parties	199,247	247,422	5,561	8,383
Other payables	283,448	306,221	-	-
Accruals	687,474	478,792	81,393	49,460
Amount due to holding company	-	-	3,857	-
Amount due to related companies	301,730	172,844	-	-
GST payable	176,336	42,522	-	-
	<b>1,648,235</b>	<b>1,247,801</b>	<b>90,811</b>	<b>57,843</b>

Trade payables are non-interest bearing and are generally payable based on agreed terms between the parties.

Amount due to holding company and related companies are non-trade, unsecured, interest-free and with no fixed terms of repayment.

## 15. Unearned revenue

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Advances from customers	3,696,702	1,721,306	-	-
Deferred grant income	149,100	-	16,100	-
	<b>3,845,802</b>	<b>1,721,306</b>	<b>16,100</b>	<b>-</b>

Advances from customers represent amount received from customers but not yet recognised to the profit or loss as service has yet to be rendered as at reporting date.

## 16. Lease liabilities

	Group	
	2020	2019
	S\$	S\$
<i>Current</i>		
Finance lease liabilities (i)	-	18,567
Lease liabilities (ii)	1,146,938	-
	<b>1,146,938</b>	<b>18,567</b>
<i>Non-current</i>		
Finance lease liabilities (i)	-	17,857
Lease liabilities (ii)	67,574	-
	<b>67,574</b>	<b>17,857</b>
<b>Total</b>	<b>1,214,512</b>	<b>36,424</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 16. Lease liabilities (continued)

### (i) Finance lease liabilities

	Group	
	2020	2019
	S\$	S\$
Minimum lease payments due		
- Not later than one year	-	19,988
- Between one and five years	-	18,304
	-	38,292
Less: Future finance charges	-	(1,868)
<b>Present value of finance lease liabilities</b>	-	<b>36,424</b>

As at 31 March 2019, the Group leases motor vehicles from non-related parties under finance leases. Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of FRS 116. The finance lease liabilities had been fully settled as at end of 31 March 2020.

### (ii) Lease liabilities - The Group as a lessee

#### 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 2020	1 April 2019
	S\$	S\$
Office premises	<b>1,189,331</b>	<b>2,497,157</b>

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

	2020
	S\$
Office premises	<b>1,381,191</b>
(c) Interest expense	
Interest expense on lease liabilities	<b>80,429</b>

(d) There is no lease expense not capitalised in lease liabilities.

(e) Total income from subleasing ROU assets in 2020 was S\$154,783.

(f) Total cash outflow for all the office leases in 2020 was S\$1,436,440.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 16. Lease liabilities (continued)

(ii) Lease liabilities - The Group as a lessee (continued)

(h) Reconciliation of lease liabilities arising from financing activities:

	2020 S\$	2019 S\$
Beginning of financial year	36,424	54,910
Principal and interest payments	(1,474,008)	(20,888)
Non-cash changes		
- Adoption of FRS 116	2,497,157	-
- Addition during the year	70,928	-
- Interest expense	81,574	2,402
- Foreign exchange movement	2,437	-
<b>End of financial year</b>	<b>1,214,512</b>	<b>36,424</b>

## 17. Deferred income taxes

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 taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
<b>Deferred tax assets:</b>				
- Accelerated tax depreciation	2,373	(4,422)	-	-
- Unearned revenue	261,958	183,287	-	-
	<b>264,331</b>	178,865	-	-
<b>Deferred tax liabilities:</b>				
- Accelerated tax depreciation	(4,000)	(4,000)	-	-
<b>Net deferred tax assets:</b>	<b>260,331</b>	174,865	-	-

The movement in net deferred income tax (assets)/liabilities is as follows:

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Beginning of financial year	(174,865)	(123,415)	-	-
Tax (credited)/charged to profit or loss	(86,058)	34,606	-	-
Disposal of subsidiaries	-	(89,591)	-	-
Currency translation differences	592	3,535	-	-
End of financial year	<b>(260,331)</b>	<b>(174,865)</b>	-	-

The Group has unrecognised tax losses of S\$2,739,695 (2019: S\$2,625,760) and capital allowances of S\$Nil (2019: S\$147,067) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 18. Revenue

	Group	
	2020	2019
	S\$	S\$
<b>Type of goods or services</b>		
Rendering of services	634,069	1,177,481
Sale of goods	-	2,466,802
Commission income	-	2,338,728
Programme fees	<b>10,225,282</b>	16,308,326
	<b>10,859,351</b>	22,291,337
<b>Timing of transfer of goods or services</b>		
At a point of time	<b>10,319,379</b>	22,291,337
Over time	<b>539,972</b>	-
	<b>10,859,351</b>	22,291,337

## 19. Other income

	Group	
	2020	2019
	S\$	S\$
Dividend income	6,511	6,674
Fair value loss on financial assets at FVPL	<b>(4,392)</b>	-
Foreign exchange differences (net)	-	59,426
Gain on disposal of associated company	<b>8,121</b>	-
Interest income	<b>12,704</b>	58,073
PIC and other government grants	<b>44,915</b>	115,250
Rental income	<b>154,783</b>	97,215
Miscellaneous income	<b>13,479</b>	14,595
	<b>236,121</b>	351,233

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 20. Profit/(Loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2020	2019
	S\$	S\$
Advertising fee	-	2,130,767
Agency cost	59,370	401,890
Amortisation of software development expenditure	97,967	-
Amortisation of prepayment	-	50,000
Audit fee:		
- Auditors of the Company	56,750	21,935
- Other auditors	10,770	151,985
Cost of goods sold - Ecommerce	-	982,692
Depreciation of property, plant and equipment	1,694,801	567,356
Foreign exchange differences (net)	4,218	-
Impairment of financial assets	74,635	958,070
Impairment of non-financial assets	-	305,000
IT expenses	185,601	63,859
Marketing expenses	2,369,969	5,579,248
Merchant charges	589,493	706,651
Office expenses	196,902	333,531
Online marketing expenses	-	998,895
Other COS	61,990	488,842
Professional fees	139,395	337,028
Program costs	671,062	516,777
Rental	-	1,778,065
Speakers fees	206,435	3,390,099
Software expenses	53,671	-
Travelling expenses	318,949	513,893
Employee benefits expense (Note 21)	2,931,499	4,086,445

## 21. Employee benefits expense

	Group	
	2020	2019
	S\$	S\$
<u>Employee benefits expenses (including directors)</u>		
Salaries, fees and bonus	2,225,176	3,282,145
CPF Contributions	294,258	344,935
Commissions and other benefits	412,065	459,365
	2,931,499	4,086,445

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 22. Income tax

The major components of income tax expenses recognised in profit or loss for the years ended 31 March 2020 and 2019 were:

	Group	
	2020	2019
	S\$	S\$
<b>Current income tax:</b>		
Current year	184,706	204,945
(Over)/Under provision in respect of prior years	(9,318)	146,967
	<u>175,388</u>	<u>351,912</u>
<b>Deferred income tax:</b>		
Current year	(86,058)	34,606
	<u>89,330</u>	<u>386,518</u>
Income tax expense recognised in profit or loss	<u>89,330</u>	<u>386,518</u>

### Relationship between tax expenses and accounting profit/(loss)

A reconciliation between tax expenses and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 March 2020 and 2019 were as follows:

	Group	
	2020	2019
	S\$	S\$
Profit/(Loss) before tax	868,751	(4,329,146)
Share of results of associated company, net of tax	135,939	252,182
Profit/(Loss) before tax and share of results of associated company	<u>1,004,690</u>	<u>(4,076,964)</u>
Income tax using the statutory tax rate of 17% (2019: 17%)	170,797	(693,085)
Tax effects of:		
Non-deductible expenses	30,598	500,275
Income not subject to taxation	(13,902)	(80,069)
Tax exemptions	(32,425)	(16,575)
Deferred tax assets not recognised	237,108	446,379
Utilisation of previously unrecognised deferred tax assets	(307,815)	-
Effect of tax rates in foreign jurisdictions	14,287	82,626
(Over)/Under provision in respect of prior years	(9,318)	146,967
Income tax expense recognised in profit or loss	<u>89,330</u>	<u>386,518</u>

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 22. Income tax (continued)

Movement in current income tax liabilities/(assets):

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Beginning of financial year	41,947	202,569	-	-
Income tax paid	(191,061)	(426,276)	-	-
Tax expense	184,706	204,945	-	-
(Over)/Under provision in respect of prior years	(9,318)	146,967	-	-
Disposal of subsidiaries	-	(82,724)	-	-
Currency translation differences	(2,084)	(3,534)	-	-
End of financial year	24,190	41,947	-	-

## 23. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2020	2019
Net profit/(loss) attributable to equity holders of the Company (S\$)	1,072,047	(4,867,345)
Weighted average number of ordinary shares outstanding for basic earnings per share	40,545,622	42,074,073
Basic earnings per share (Singapore cents per share)	2.64	(11.57)

## 24. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	Group	
	2020	2019
	S\$	S\$
Cost of lease sharing charged to related parties	291,340	372,714
Admin handling expenses charged by related parties	(185,000)	(96,600)
Consultancy expense charged by related parties	(24,000)	(24,368)

### Compensation of key management personnel

	Group	
	2020	2019
	S\$	S\$
Salaries, fees and bonus	712,193	858,831
CPF Contributions	62,947	32,963
Commissions and other benefits	-	12,419
	775,140	904,213

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 25. Operating lease commitments

*Where the Group is a lessee*

The Group have entered into commercial leases on rental of offices. The lease has average life of 3 years with renewal option included in the contracts. There are no restrictions places upon the Group by entering into these leases.

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

	<u>Group</u>
	<u>2019</u>
	S\$
Not later than one year	1,163,876
Later than one year but not later than five years	1,186,567
	<u>2,350,443</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 balance sheet as at 31 March 2020, except for short-term and low value leases.

*Where the Group is a lessor*

The Group lease out office to non-related parties under non-cancellable operating leases. The lessees are required to pay fixed lease payments during the lease period.

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

	<u>Group</u>	
	<u>2020</u>	2019
	S\$	S\$
Not later than one year	<u>69,750</u>	<u>69,750</u>

The Group has not recognised leases receivables disclosed above as at 31 March 2020 as it is short term lease contract.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 and Malaysia. 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"), Japanese Yen ("JPY"), New Taiwan Dollar ("NTD") and Thailand Baht ("THB").

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, Taiwan and China are managed primarily through transactions denominated in the relevant foreign currencies.

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

	MYR S\$	USD S\$	AUD S\$	NTD S\$	THB S\$	RMB S\$
<b>At 31 March 2020</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1,137,400	126,538	74,243	91,192	27,063	257,360
Trade and other receivables	128,155	-	-	379,781	-	61,026
Financial assets, at FVPL	187,358	151,409	-	-	-	-
Financial assets, at FVOCI	7,443	-	-	-	-	-
	<u>1,460,356</u>	<u>277,947</u>	<u>74,243</u>	<u>470,973</u>	<u>27,063</u>	<u>318,386</u>
<b>Financial liabilities</b>						
Trade and other payables	(245,077)	(10,851)	(5,561)	(27,280)	-	(9,485)
Lease liabilities	(222,140)	-	-	(107,918)	(32,122)	-
	<u>(467,217)</u>	<u>(10,851)</u>	<u>(5,561)</u>	<u>(135,198)</u>	<u>(32,122)</u>	<u>(9,485)</u>
<b>Net financial assets/(liabilities)</b>	<u>993,139</u>	<u>267,096</u>	<u>68,682</u>	<u>335,775</u>	<u>(5,059)</u>	<u>308,901</u>
<b>Currency exposure of financial assets/ (liabilities) net of those denominated in the respective entities' functional currencies</b>	<u>-</u>	<u>267,096</u>	<u>66,317</u>	<u>12,385</u>	<u>-</u>	<u>(4,216)</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)

	<u>MYR</u> S\$	<u>USD</u> S\$	<u>AUD</u> S\$	<u>NTD</u> S\$	<u>THB</u> S\$	<u>JPY</u> S\$
<u>At 31 March 2019</u>						
<b>Financial assets</b>						
Cash and cash equivalents	574,697	179,682	37,800	715,072	52,463	19,187
Trade and other receivables	92,064	-	-	207,652	-	55,624
Financial assets, at FVPL	181,542	-	-	-	-	-
Financial assets, at FVOCI	8,219	-	-	-	-	-
	<u>856,522</u>	<u>179,682</u>	<u>37,800</u>	<u>922,724</u>	<u>52,463</u>	<u>74,811</u>
<b>Financial liabilities</b>						
Trade and other payables	(428,012)	-	-	(32,881)	(2,092)	-
Finance lease liabilities	(36,424)	-	-	-	-	-
	<u>(464,436)</u>	<u>-</u>	<u>-</u>	<u>(32,881)</u>	<u>(2,092)</u>	<u>-</u>
<b>Net financial assets</b>	392,086	179,682	37,800	889,843	50,371	74,811
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>						
	-	179,682	30,969	-	-	74,811

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

	<u>USD</u> S\$	<u>AUD</u> S\$
<u>At 31 March 2020</u>		
<b>Financial assets</b>		
Cash and cash equivalents	32,075	71,878
<b>Financial liabilities</b>		
Trade and other payables	-	(5,561)
<b>Net financial assets</b>	32,075	66,317
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>		
	32,075	66,317
<u>At 31 March 2019</u>		
<b>Financial assets</b>		
Cash and cash equivalents	171,365	30,969
Amount due from subsidiaries	-	30,118
	<u>171,365</u>	<u>61,087</u>
<b>Financial liabilities</b>		
Trade and other payables	(80)	(8,303)
<b>Net financial assets</b>	171,285	52,784
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>		
	171,285	52,784

# 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 AUD, USD, NTD, RMB and JPY change against the SGD by 8% (2019: 4%), 5% (2019: 3%), 7% (2019: 2%), 3% (2019: 3%), 7% (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) →			
	<u>Profit after tax</u>			
	<u>Group</u>		<u>Company</u>	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
AUD against SGD				
- Strengthened	<b>4,403</b>	1,028	<b>4,403</b>	1,752
- Weakened	<b>(4,403)</b>	(1,028)	<b>(4,403)</b>	(1,752)
USD against SGD				
- Strengthened	<b>11,084</b>	4,474	<b>1,331</b>	7,108
- Weakened	<b>(11,084)</b>	(4,474)	<b>(1,331)</b>	(7,108)
NTD against SGD				
- Strengthened	<b>720</b>	-	-	-
- Weakened	<b>(720)</b>	-	-	-
RMB against SGD				
- Strengthened	<b>(105)</b>	-	-	-
- Weakened	<b>105</b>	-	-	-
JPY against SGD				
- Strengthened	-	1,242	-	-
- Weakened	-	(1,242)	-	-

# 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 either as financial assets, at FVPL or FVOCI. These securities are listed in Singapore, Malaysia and the United States. 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 Singapore, Malaysia and the United States had changed by 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 after tax S\$	Other comprehensive income S\$	Profit after tax S\$	Other comprehensive income S\$
<u>Group</u>				
Listed in Singapore				
- increased by	8,918	-	-	-
- decreased by	(8,918)	-	-	-
Listed in Malaysia				
- increased by	26,484	1,050	10,548	-
- decreased by	(26,484)	(1,050)	(10,548)	-
Listed in the United States				
- increased by	21,364	-	-	-
- decreased by	(21,364)	-	-	-

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. Financial risk management (continued)

### (b) Credit risk (continued)

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.

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 trade receivables are set out as follows:

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Balance at beginning of year	77,067	88,606	-	-
Charge for the year	62,635	77,067	-	-
Written off	(2,165)	-	-	-
Disposal of Digital and Marketing Businesses	-	(88,606)	-	-
Balance at end of year	137,537	77,067	-	-

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:

	Current	Past due				Total
		1-30 days	31-60 days	61-90 days	> 90 days	
<b>2020</b>						
Expected loss rate	0%	0%	5%	10%	100%	
Gross carrying amount (S\$)	255,975	26,221	12,977	26,488	134,174	455,835
<b>Credit loss allowance (S\$)</b>	-	-	<b>(714)</b>	<b>(2,649)</b>	<b>(134,174)</b>	<b>(137,537)</b>
<b>2019</b>						
Expected loss rate	0%	0%	5%	10%	100%	
Gross carrying amount (S\$)	174,425	30,542	62,003	54,820	68,485	390,275
Credit loss allowance (S\$)	-	-	(3,100)	(5,482)	(68,485)	(77,067)

# 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.

	<u>One year or less</u> S\$	<u>Two to five years</u> S\$
<u>Group</u>		
<b>At 31 March 2020</b>		
Trade and other payables	1,648,235	-
Lease liabilities	1,176,581	68,630
<b>At 31 March 2019</b>		
Trade and other payables	1,247,801	-
Finance lease liabilities	19,988	18,304
		<u>One year or less</u> S\$
<u>Company</u>		
<b>At 31 March 2020</b>		
Trade and other payables		<u>90,811</u>
<b>At 31 March 2019</b>		
Trade and other payables		<u>57,843</u>

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 26. Financial risk management (continued)

### (e) Fair value measurements

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

- (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).

	Level 1	Level 2	Level 3
	S\$	S\$	S\$
<b>Group</b>			
<b>As at 31 March 2020</b>			
<b>Financial assets:</b>			
Financial assets, at FVPL (quoted)	402,305	-	-
Financial assets, at FVOCI (quoted)	7,443	-	-
<b>As at 31 March 2019</b>			
<b>Financial assets:</b>			
Financial assets, at FVPL (quoted)	181,542	-	-
Financial assets, at FVOCI (quoted)	8,219	-	-

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 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	2019	2020	2019
	S\$	S\$	S\$	S\$
<b>Financial assets, at FVPL</b>	<b>402,305</b>	181,542	-	-
<b>Financial assets, at FVOCI</b>	<b>7,443</b>	8,219	-	-
<b>Financial assets at amortised cost</b>	<b>9,017,777</b>	5,923,124	<b>876,272</b>	1,544,573
<b>Financial liabilities at amortised cost</b>	<b>(2,686,411)</b>	(1,241,703)	<b>(90,811)</b>	(57,843)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 27. Segment information

For management purposes, the Group is organised into geographical business units based on the 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 segment under the reporting model are as follows:

- i. **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.
- ii. **Others:** included fintech business and subsidiaries that provided financial education and training in Taiwan, Thailand and China.
- iii. **Disposal Group:** involved in specialists and training academy; content creation, branding and marketing solutions provider; and marketing and selling products via ecommerce platform.

Management monitors the operating results of its business units separately for the purpose of 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

## 27. Segment information (continued)

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Financial Education			Others	Corporate	Adjustments and eliminations	Per consolidated financial statements
	Singapore S\$	Malaysia S\$	Total S\$	S\$	S\$	S\$	S\$
<b>31 March 2020</b>							
<b>Revenue</b>							
External customers	6,884,651	3,215,983	10,100,634	758,717	-	-	10,859,351
Inter-segment	389,704	69,816	459,520	-	216,000	(675,520)	-
	<b>7,274,355</b>	<b>3,285,799</b>	<b>10,560,154</b>	<b>758,717</b>	<b>216,000</b>	<b>(675,520)</b>	<b>10,859,351</b>
<b>Results:</b>							
Depreciation and amortisation	(1,209,919)	(286,248)	(1,496,167)	(296,601)	-	-	(1,792,768)
Share of result of associated companies	(135,939)	-	(135,939)	-	-	-	(135,939)
<b>Segment profit/(loss)</b>	<b>1,827,584</b>	<b>244,412</b>	<b>2,071,996</b>	<b>(861,872)</b>	<b>(430,703)</b>	<b>-</b>	<b>779,421</b>
<b>Assets:</b>							
Additions to plant and equipment	25,797	67,814	93,611	75,204	-	-	168,815
Additions to intangible assets	-	-	-	197,364	-	-	197,364
<b>Segment asset</b>	<b>7,013,434</b>	<b>1,924,349</b>	<b>8,937,783</b>	<b>1,877,826</b>	<b>1,160,458</b>	<b>-</b>	<b>11,976,067</b>
<b>Liabilities:</b>							
<b>Segment liabilities</b>	<b>(3,577,254)</b>	<b>(1,617,795)</b>	<b>(5,195,049)</b>	<b>(1,530,596)</b>	<b>(103,054)</b>	<b>-</b>	<b>(6,828,699)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 27. Segment information (continued)

	Education	Disposal Group	Corporate	Adjustments and eliminations	Per consolidated financial statements
	S\$	S\$	S\$	S\$	S\$
<b>31 March 2019</b>					
<b>Revenue</b>					
External customers	12,751,656	9,383,252	156,429	-	22,291,337
Inter-segment	-	282,541	-	(282,541)	-
	<u>12,751,656</u>	<u>9,665,793</u>	<u>156,429</u>	<u>(282,541)</u>	<u>22,291,337</u>
<b>Results:</b>					
Depreciation and amortisation	(459,749)	(154,038)	(3,492)	-	(617,279)
Share of result of associated company	(252,182)	-	-	-	(252,182)
Impairment of goodwill	-	-	-	(1,585,013)	(1,585,013)
Segment (loss)/profit	<u>(1,385,351)</u>	<u>343,473</u>	<u>(1,357,496)</u>	<u>(2,316,290)</u>	<u>(4,715,664)</u>
<b>Assets:</b>					
Investment in associated company	147,818	-	-	-	147,818
Additions to plant and equipment	178,924	80,652	-	-	259,576
Segment asset	<u>5,686,506</u>	<u>-</u>	<u>1,571,506</u>	<u>-</u>	<u>7,258,012</u>
<b>Liabilities:</b>					
Segment liabilities	<u>(3,125,990)</u>	<u>-</u>	<u>(57,843)</u>	<u>-</u>	<u>(3,183,833)</u>

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements. Inter-segment revenues and expenses are eliminated on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 28. 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.

## 29. 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.

## 30. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2020 were authorised for issue by the Board of Directors on the date of the Directors' Statement.