



**8I HOLDINGS LIMITED  
AND SUBSIDIARIES COMPANIES**

**RESULTS FOR ANNOUNCEMENT TO THE  
MARKET (ASX APPENDIX 4E)  
&  
ANNUAL FINANCIAL STATEMENT  
FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 2015**

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## 8I HOLDINGS LIMITED AND SUBSIDIARIES COMPANIES

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

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

Group	Period ended 31 March		Percentage change
	2015 S\$ Mil	2014 <sup>(1)</sup> S\$ Mil	
Revenue from ordinary activities	10,669,319	N.A.	N.A.
Profit from ordinary activities after taxation attributable to shareholders	4,791,691	N.A.	N.A.
Net profit attributable to shareholders	4,791,691	N.A.	N.A.
Total comprehensive income attributable to shareholders	4,847,674	N.A.	N.A.
Net tangible assets per ordinary share <sup>(2)</sup>	0.0918	N.A.	N.A.

Group	Amount per security <sup>(3)</sup> (SGD cents)	Franked amount per security (SGD cents)
Dividend per share - final	0.01	Nil

Record date for determining entitlements to dividends.  
(subject to shareholders' approval)

14 July 2015

#### Notes:

- (1) The company was incorporated on 17 May 2014. This being the first set of financial statements, there are no comparative figures.
- (2) As at 31 March 2015, the number of ordinary shares was 357,144,200.
- (3) The dividends received by Singapore tax residents will be tax exempt for Singapore income tax purposes (being a one-tier exempt dividend).

The results for the financial period ended 31 March 2015 presented in this announcement are extracted from the financial statements for the year that have been audited in accordance with Singapore Standards on Auditing.

The Independent Auditors' Report on the full financial statements is on page 5 of this announcement.

## 8I HOLDINGS LIMITED AND SUBSIDIARIES COMPANIES

### REVIEW OF PERFORMANCE OF THE GROUP

#### Overview

The Total Revenue from 17 May 2014 (Incorporation of 8I Holdings Ltd) to 31 March 2015 is in excess of S\$10.7 million and profit before tax for the year is in excess of S\$5.7 million.

The Company's strategy of combining the education segment with the investment segment has paid off and the directors anticipate that will continue to do so as it seeks to expand its offerings and scale up the businesses in various cities in Asia. The Company is also increasing its investments in private companies.

#### Business Segment Report

##### Education

The Education segment has increased its revenue to S\$5,285,329 in the financial year reported, with segmental profits at S\$921,605. This is the best year yet since inception for the Company's education division.

The programme sales breakdown are as follows:

Programmes/Course	Apr 2011 to Mar 2012	Apr 2012 to Mar 2013	Increase in %	Apr 2013 to Mar 2014	Increase in %	Apr 2014 to Mar 2015	Increase in %	Remarks
Millionaire Investor Program	384	484	26.0%	601	24.2%	850	41.4%	
Millionaire Investor Support	53	161	203.8%	170	5.6%	268	57.6%	New subscription figure
Real Estate Investment Trusts	66	73	10.6%	155	112.3%	229	47.7%	
Millionaire Circle Membership	31	88	183.9%	172	95.5%	325	89.0%	New subscription figure
Value Investing Summit	520	1187	128.3%	1248	5.1%	1508	20.8%	
Brand Mastery	38	44	15.8%	30	-31.8%	16	-46.7%	Last Batch was conducted in May 2014
Mencius Advanced Property Investment Course						205		Newly Launched in FY14/15

All figures are inclusive of Malaysia operation's numbers.

As clearly seen, participant numbers have been increasing for all offerings, with the exception of Brand Mastery. This is due the Company continuing to deliver quality education products, resulting in word of mouth marketing in addition to the expansion of marketing activities undertaken by the Company.

## 8I HOLDINGS LIMITED AND SUBSIDIARIES COMPANIES

### REVIEW OF PERFORMANCE OF THE GROUP (continued)

#### Investment

- **Listed securities**

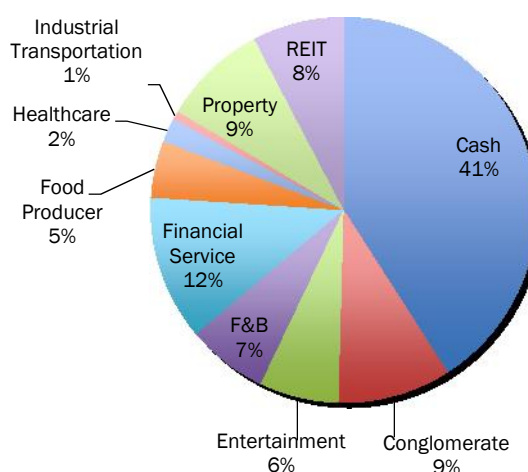
The listed securities segment registered segmental profit of S\$1,218,660. Going forward, it is possible that the contribution from the Investment segment may be lumpy. This is due to the nature of the capital markets. Investors should be aware that this segment will fluctuate in terms of performance. However the directors note that it is during the capital market downturns that typically the best opportunities will present themselves.

#### 8 Capital

	Quantity	Total investment	Unrealised gain/(loss)	Value	Returns
Cash				8,374,231	
Conglomerate	1,146,000	1,965,352	(17,152)	1,948,200	-0.9%
Entertainment	984,000	706,879	656,346	1,363,225	92.9%
F&B	470,600	1,146,083	237,236	1,383,319	20.7%
Financial Service	908,218	2,454,767	38,159	2,492,926	1.6%
Food Producer	298,000	997,390	(25,910)	971,480	-2.6%
Healthcare	129,300	297,728	117,502	415,230	39.5%
Industrial Transportation	75,000	100,875	46,125	147,000	45.7%
Property	409,000	1,577,780	218,588	1,796,369	13.9%
REIT	867,999	1,296,170	277,389	1,573,559	21.4%
<b>Grand Total</b>	<b>5,288,117</b>	<b>10,543,024</b>	<b>1,548,283</b>	<b>20,465,538</b>	

The Group continues to increase its investments in various public entities where it believes good companies that can be acquired at an undervalued or reasonable price. The deployment of cash has been restricted as a result of market prices generally increasing. The company is focused on following its value investing methodology and is reluctant to deploy in more funds until appropriately valued investment opportunities arise. To increase return total investible funds the Group is looking towards increasing its interest earnings on cash at bank. The Group also sees significant risks in the bond market due to certain structural changes.

#### Portfolio Summary



A significant portion of funds raised at IPO (17 December 2014) are yet to be deployed, which impacts total return on the portfolio. The Company will deploy the funds when investment opportunities are identified that meet its value investment methodology and criteria.

## 8I HOLDINGS LIMITED AND SUBSIDIARIES COMPANIES

### REVIEW OF PERFORMANCE OF THE GROUP (continued)

#### Investment (continued)

- **Private Companies**

Within the Private Equity space, the Group will continue to look for various companies and businesses that it deems to have a solid track record, with management in place that it can acquire for a reasonable or even undervalued price. Most importantly, the businesses that it acquires must have the potential for significant growth and future public market listing.

As of 31 March 2015, the Group owns a stake of 51% of Hemus Pacific and 31% of CPA Academy. It is also in the process of working through an acquisition of Velocity in accordance to its MOU dated 1 April 2015.

On 31 March 2015, the Group disposed 39.2% of its holding in CPA Academy Pte. Ltd. (CPAA), a subsidiary, at a price of S\$4,500,000. The disposal consideration was fully settled in cash. The sale reduced the Group's stake in CPAA from 51% to 31%. Accordingly, CPAA ceased to be a subsidiary and became an associate company of the Group.

- **Property Projects**

The Group currently holds only one property investment its accounts. However, it expects to increase its investment in this segment via the acquisition of Velocity Holdings Pty Ltd ("Velocity") in Australia. This acquisition is subject to due diligence which is ongoing at the time of this report.

It is expected that should the company complete its acquisition of Velocity, it will carry out various development projects, and may hold suitable properties to be leased out for rental income. To carry out this strategy, the Group will be working through the various items stated in its MOU with Velocity.

By nature, property development projects are capital intensive. The Group expects that when Velocity has the financial backing of the Company, Velocity will be able to develop more projects and in turn potentially generate significant returns to the group and its shareholders.



**8I Holdings Limited and Its Subsidiaries**

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

**Directors' Report and Financial Statements**  
**Financial period ended 31 March 2015**

**2015**

## General Information

As at 31 March 2015

Directors	Mr Chee Kuan Tat, Ken (Executive Chairman) Mr Clive Tan Che Koon (Executive Director) Mr Chay Yiowmin (Non-executive Director) Mr Zane Robert Lewis (Non-executive Director)
Company secretary (Singapore)	Mr Ang Teck Huat
Company secretary (Australia)	Mr Zane Robert Lewis
ARBN:	601 582 129
Registered office (Singapore)	Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233  Tel: +65 6225 8480 Fax: +65 6235 0332
Registered office (Australia)	C/- SmallCap Corporate Pty Ltd, Level 1, 981 Wellington Street, Perth, WA, Australia, 6005  Tel: +61 (8) 6555 2950 Fax: +61 (8) 9321 3102
Principal place of business	Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233
Share registrar	Boardroom Pty Limited Level 7, 207 Kent Street, Sydney, NSW, Australia 2000  Tel: +61 (2) 9290 9600 Fax: +61 (2) 9279 0664
Auditors	Kong, Lim & Partners LLP Chartered Accountants 13A MacKenzie Road Singapore 228676 Partner in charge: Charles Parulian (since 2014)  Tel: +65 6227 4180 Fax: +65 6324 0213
Stock exchange listing	8I Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: 8IH)
Website	<a href="http://www.8iholdings.com">www.8iholdings.com</a>

This report covers both 8I Holdings Limited as an individual entity and the consolidated entity comprising 8I Holdings Limited and its subsidiaries. The Group's functional currency and presentation currency is Singapore Dollars (S\$). A description of the Group's operations and of its principal activities is included in the notes to the financial statements. The directors' report is not part of the financial report.

## Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of 8I Holdings Limited (the Company) (previously known as 8 Group Ltd.) and its subsidiaries (collectively, the Group) and the statement of financial position and statement of changes in equity of the Company for the financial period from 17 May 2014 (date of incorporation) to 31 March 2015.

### 1. Directors

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

Mr Chee Kuan Tat, Ken  
Mr Clive Tan Che Koon  
Mr Chay Yiowmin  
Mr Zane Robert Lewis

### 2. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period 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 or debentures of the Company or any other body corporate.

### 3. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors	Number of ordinary shares			
	Direct interest		Deemed interest	
	At the date of incorporation or date of appointment	At the end of financial period	At the date of incorporation or date of appointment	At the end of financial period
The Company				
Mr Chee Kuan Tat, Ken	57,000,000	86,640,000	-	73,800,000*
Mr Clive Tan Che Koon	43,000,000	65,360,000	-	73,800,000*
Mr Zane Robert Lewis	-	10,000	-	30,000

*Notes:*

\* Held in the name of 8 Capital Equities BVI

There was no change in any of the above-mentioned interests in the Company between the end of the financial period and 17 May 2014.

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

## Directors' Report

### 4. Directors' contractual benefits

Except as disclosed in the financial statements, since the date of incorporation, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

### 5. Audit committee

The audit committee (AC) carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors
- Reviews the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Company before their submission to the board of directors
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors
- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviews the cost effectiveness and the independence and objectivity of the external auditors
- Reviews the nature and extent of non-audit services provided by the external auditors
- Recommends to the board of directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit
- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

## Directors' Report

### 6. Auditor

Kong, Lim & Partners LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,



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Mr Chee Kuan Tat, Ken  
Director



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Mr Clive Tan Che Koon  
Director

Singapore, 15 May 2015

## Statement by Directors

We state that, in the opinion of the board of directors,

- (a) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the period 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.

On behalf of the board of directors,



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Mr Chee Kuan Tat, Ken  
Director



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Mr Clive Tan Che Koon  
Director

Singapore,  
15 May 2015

Independent Auditor's Report  
To the members of 8I Holdings Limited

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of 8I Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2015, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the period from 17 May 2014 (date of incorporation) to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and statement of financial position and to maintain accountability of assets.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Independent Auditor's Report  
To the members of 8I Holdings Limited (continued)

*Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the period ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KONG, LIM & PARTNERS LLP  
Public Accountants and  
Chartered Accountants

Singapore, 15 May 2015



## Consolidated Statement of Comprehensive Income

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

	Notes	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Revenue	4	10,669,319
Other income	4	141,167
Other items of expense		
Administrative expenses		(2,443,986)
Other operating expenses		(2,630,560)
Finance costs		(7,168)
Profit before tax	5	5,728,772
Income tax expense	6	(736,875)
Profit for the period		<u>4,991,897</u>
Other comprehensive income:		
Net fair value gain on re-measurement of financial assets available for sale, representing the other comprehensive income for the period, net of tax		<u>55,983</u>
Total comprehensive income for the period		<u><u>5,047,880</u></u>
Attributable to:		
Owners of the Company		4,847,674
Non-controlling interest		<u>200,206</u>
Total comprehensive income for the period		<u><u>5,047,880</u></u>
Earnings per share (cents per share)		
Basic	7	1.70
Diluted	7	<u>1.70</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Financial Position

As at 31 March 2015

	Notes	Group 31.3.2015 S\$	Company 31.3.2015 S\$
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	8	21,656,807	5,278,839
Trade and other receivables	9	2,030,660	24,632,403
Prepaid operating expenses		411,814	642
Investment securities	10	12,091,307	-
		<u>36,190,588</u>	<u>29,911,884</u>
Non-current Assets			
Plant and equipment	11	214,052	-
Investment properties	12	208,667	-
Intangible assets	13	1,901,072	-
Investment in subsidiaries	14	-	4,779,957
Investment in associate	15	959,696	-
Investment securities	10	814,201	-
		<u>4,097,688</u>	<u>4,779,957</u>
Total Assets		<u>40,288,276</u>	<u>34,691,841</u>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	16	954,017	30,841
Hire purchase	16	22,477	-
Income tax payable		797,853	52,000
Unearned revenue	17	1,920,801	-
		<u>3,695,148</u>	<u>82,841</u>
Non-current Liabilities			
Deferred tax liabilities	18	41,331	-
Hire purchase	16	41,688	-
		<u>83,019</u>	<u>-</u>
Total Liabilities		<u>3,778,167</u>	<u>82,841</u>
Net Assets		<u>36,510,109</u>	<u>34,609,000</u>
<b>Equity</b>			
Equity attributable to owners of the Company			
Share capital	19	30,983,691	30,983,691
Retained earnings		4,791,691	3,625,309
Other reserves	20	55,983	-
		<u>35,831,365</u>	<u>34,609,000</u>
Non-controlling interests		678,744	-
Total Equity		<u>36,510,109</u>	<u>34,609,000</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Changes in Equity

As at 31 March 2015

2015 Group	Note	Attributable to owners of the Company					Non- controlling interests S\$
		Equity total S\$	Equity attributable to owners of the Company, total S\$	Share capital S\$	Retained earnings S\$	Fair value reserve S\$	
Opening balance at 17.5.2014 (date of incorporation)		116	116	116	-	-	-
Profit for the period		4,991,897	4,791,691	-	4,791,691	-	200,206
<u>Other comprehensive income</u>							
Net fair value gain on re-measurement of financial assets available for sale		55,983	55,983	-	-	55,983	-
Other comprehensive income for the period, net of tax		55,983	55,983	-	-	55,983	-
Total comprehensive income for the period		5,047,880	4,847,674	-	4,791,691	55,983	200,206
<u>Contributions by and distributions to owners</u>							
Issuance of shares	19	26,114,998	26,114,998	26,114,998	-	-	-
Conversion of related party loans to shares	19	670,440	670,440	670,440	-	-	-
Conversion of third party loans to shares	19	5,216,977	5,216,977	5,216,977	-	-	-
Share issuance expense	19	(1,018,840)	(1,018,840)	(1,018,840)	-	-	-
Total contributions by and distributions to owners		30,983,575	30,983,575	30,983,575	-	-	-
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of subsidiaries		516,844	-	-	-	-	516,844
Disposal of subsidiaries		(38,306)	-	-	-	-	(38,306)
Total changes in ownership interests in subsidiaries		478,538	-	-	-	-	478,538
Total transactions with owners in their capacity as owners		31,462,113	30,983,575	30,983,575	-	-	478,538
Closing balance at 31.3.2015		36,510,109	35,831,365	30,983,691	4,791,691	55,983	678,744

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Changes in Equity

As at 31 March 2015

2015

Company

	Note	Equity total S\$	Share capital S\$	Retained earnings S\$
Opening balance at 17.5.2014 (date of incorporation)		116	116	-
Profit for the period, representing total comprehensive income for the period		3,625,309	-	3,625,309
<u>Contributions by and distributions to owners</u>				
Issuance of shares	19	26,114,998	26,114,998	-
Conversion of related party loans to shares	19	670,440	670,440	-
Conversion of third party loans to shares	19	5,216,977	5,216,977	-
Share issuance expense	19	(1,018,840)	(1,018,840)	-
Total transactions with owners in their capacity as owners		30,983,575	30,983,575	-
Closing balance at 31.3.2015		34,609,000	30,983,691	3,625,309

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Consolidated Statement of Cash Flows

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

	Notes	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
<b>Operating activities</b>		
Profit before income tax		5,728,772
<u>Adjustments for:</u>		
Fair value gain on held-for-trading financial assets	4	(1,121,997)
Profit from sale of a subsidiary's shares	4	(3,880,841)
Gain from bargain purchase	4	(17,769)
Dividend income	4	(225,476)
Interest income	4	(8,182)
Depreciation of plant and equipment	5	102,315
Finance costs		7,168
Total adjustments		(5,144,782)
Operating cash flows before changes in working capital		583,990
<u>Changes in working capital:</u>		
Prepaid operating expenses		(411,764)
Trade and other receivables		236,075
Unearned revenue		1,020,863
Trade and other payables		498,508
Total changes in working capital		1,343,682
Cash flows generated from operations		1,927,672
Interest received		8,182
Interest paid		(7,168)
Income taxes paid		(279,853)
Net cash flows generated from operating activities		1,648,833
<b>Investing activities</b>		
Acquisition of subsidiaries by cash, net of cash acquired		(3,796,465)
Acquisition of subsidiaries by shares swap, net of cash acquired		4,825,565
Proceeds from sale of shares in subsidiary, net of cash disposed		3,761,839
Dividend income from investment securities		225,476
Purchase of investment securities		(5,324,758)
Net cash flows used in investing activities		(308,343)
<b>Financing activities</b>		
Issuance of shares	19	21,335,041
Share issuance	19	(1,018,840)
Net cash flows generated from financing activities		20,316,201
Net increase in cash and cash equivalents		21,656,691
Cash and cash equivalents at incorporation date		116
Cash and cash equivalents at the end of the period	8	21,656,807

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Consolidated Statement of Cash Flows

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

The Group disposed 39.2% of its holding in CPA Academy Pte. Ltd. (the CPAA), a subsidiary, on 30 March 2015 at a price of S\$4,500,000. The disposal consideration was fully settled in cash. The sale reduced the Group's stake in CPAA from 51% to 31%. Accordingly, CPAA ceased to be a subsidiary and became an associate company of the Group.

The value of assets and liabilities of CPA Academy Pte. Ltd. recorded in the consolidated financial statements as at 30 March 2015, and the cash flow effect of the disposal were:

	Group 31.3.2015 S\$
Plant and equipment	4,117
Prepaid operating expenses	4,353
Trade and other receivables	17,943
Cash and cash equivalents	<u>738,161</u>
	764,574
Income tax payable	(41,307)
Unearned revenue	(318,271)
Trade and other payables	(328,936)
Deferred tax liabilities	<u>(949)</u>
<i>Carrying value of net assets</i>	<u><u>75,111</u></u>
Total consideration	4,500,000
Cash and cash equivalents of the subsidiary	<u>(738,161)</u>
<i>Net cash inflow on sale of shares in subsidiary</i>	<u><u>3,761,839</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 1. Corporate information

8I Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Australian Securities Exchange (ASX). With effect from 15 August 2014, the name of the Company was changed from 8 Group Ltd. to 8I Holdings Limited.

The registered office and principal place of business of the Company is located at Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

## 2. 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 the Singapore Financial Reporting Standards (FRS) including related interpretations promulgated by the Accounting Standards Council and the disclosure requirements of the Singapore Companies Act, Cap. 50.

The financial statements have been prepared on a historical cost basis, unless stated otherwise.

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

### 2.2 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual year beginning on or after
Improvements to FRSs (January 2014)	
Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 July 2014
Amendments to FRS 24 Related Party Disclosures	1 July 2014
Amendments to FRS 103 Business Combinations	1 July 2014
Amendments to FRS 113 Fair Value Measurement	1 July 2014
Amendments to FRS 108 Operating Segments	1 July 2014
Improvement to FRSs (February 2014)	
Amendments to FRS 103 Business Combination	1 July 2014
Amendments to FRS 113 Fair Value Measurement	1 July 2014

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative transaction differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

### 2.4 Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 2. Significant accounting policies (continued)

#### 2.4 Business combinations and goodwill (continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

#### 2.5 Transactions with non-controlling interests

Non-controlling interest represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

#### 2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its investment with the investee and has ability to affect these returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 2. Significant accounting policies (continued)

#### 2.7 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control of those policies.

The Group account for its investment in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from the associate reduces the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.8 Foreign currency

#### Transaction and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

#### Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of subsidiaries that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

### 2.9 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 2. Significant accounting policies (continued)

#### 2.9 Plant and equipment (continued)

Depreciation is calculated on a straight-line basis so as to write off the costs of the assets over their estimated useful lives. The estimated useful lives used are as follows:

	Years
Office Equipment	1 to 3
Furniture & Fittings	3
Motor vehicle	5

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodies in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

#### 2.10 Investment properties

The investment properties are properties that are either owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprised completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.12 Financial assets

#### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 2. Significant accounting policies (continued)

#### 2.12 Financial assets (continued)

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

##### *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

##### *Available-for-sale financial assets*

Available-for-sale financial assets include equity securities. Equity investments classified available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available for sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

### 2.14 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

#### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance amount. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency of significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent year, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.14 Impairment of financial assets (continued)

#### *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. Significant is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any reprincipal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

### 2.15 Financial liabilities

#### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.17 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

### 2.18 Leases

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19. Contingent rents are recognised as revenue in the period in which they are earned.

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.19 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from rendering of services is recognised over the period the services are performed.

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

Revenue from sale of books is recognised as the books are sold.

Revenue from sales of investment property is recognised upon the transfer of significant risk and rewards of ownership of the property to the buyer and the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income is accounted for on a straight line basis over the lease terms.

### 2.20 Taxes

#### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted at the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable in the years in which those temporary differences are expected to be recovered or settled based on tax rates.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 2. Significant accounting policies (continued)

#### 2.20 Taxes (continued)

##### Deferred tax (continued)

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised of except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

##### Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### 2.21 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) Has control or joint control over the Group;
  - (ii) Has significant influence over the Group; or
  - (iii) Is a member of the key management personnel of the Group or of a parent of the Group

# Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

## 2. Significant accounting policies (continued)

### 2.21 Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 3. Significant accounting judgments and estimates

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

#### 3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight line basis over the plant and equipment's useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 5 years. These are common life expectancies applied in the similar industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at 31 March 2015 was S\$214,052 (Company: Nil).

##### *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is S\$23,687,467.

##### *Fair value of unquoted available-for-sale financial assets*

The fair values of unquoted available-for-sale financial assets are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The assumptions applied in determination of the valuation of these unquoted available-for-sale financial assets and a sensitivity analysis are described in more detail in Note 24.

The carrying amount of the unquoted available-for-sale financial assets as at 31 March 2015 is S\$43,879.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 4. Revenue and other income

	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Revenue	
Fair value gain on held-for-trading financial assets	1,121,997
Dividend income	225,476
Gain from sale of a subsidiary's shares	3,880,841
Program sales	4,007,575
Property rental	1,278,456
Others	154,974
	<u>10,669,319</u>
Other income	
Interest income	8,182
Gain from bargain purchase	17,769
Others	115,216
	<u>141,167</u>
Total revenue and other income	<u><u>10,810,486</u></u>

### 5. Profit before tax

The following items have been included in arriving at profit before tax:

	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Audit fees paid to:	
- Auditors of the Company	42,851
Non-audit fees paid to:	
- Auditors of the Company	39,248
- Other auditors	44,084
Depreciation of plant and equipment	102,315
Employee benefits expense (Note 21)	1,649,333
Operating lease expense (Note 23)	899,923
Commission	166,545
Net foreign exchange loss	223,629
	<u><u>2,868,988</u></u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 6. Income tax expense

#### Major components of income tax expense

The major components of income tax expense for the period ended 31 March 2015 are:

	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Consolidated income statement:	
Current income tax, representing the income tax expense recognised in the income statement	<u>736,875</u>

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the period ended 31 March 2015 is as follows:

	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Profit before tax	<u>5,728,772</u>
Tax at the domestic rates applicable to profits in the countries where the Group operates	973,891
Adjustments:	
Non-deductible expenses	41,181
Income not subjected to taxation	(60,316)
Effect of partial tax exemption and tax relief	(221,656)
Deferred tax assets not recognised	<u>3,775</u>
	<u>736,875</u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 7. Earnings per share

The basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation.

The following table reflects the profit and share data used in the computation of basic earnings per share for the period ended 31 March:

	Group 17.05.2014 (date of incorporation) to 31.03.2015 S\$
Profit, net of tax, attributable to owners of the Company used in the computation of basic earnings per share	<u>4,791,691</u>
	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation	<u>281,226,184</u>

### 8. Cash and cash equivalents

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Cash at banks and on hand	<u>21,656,807</u>	<u>5,278,839</u>

Cash and cash equivalents denominated in foreign currencies at 31 March 2015 is as the follows:

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Australian Dollar	<u>646,649</u>	<u>546,387</u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 9. Trade and other receivables

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Current		
Trade receivables	683,585	-
Deposits	376,581	-
Banker's guarantee	190,000	-
Amounts due from subsidiaries (non-trade)	-	24,632,403
Amounts due from associate	125,000	-
Amounts due from affiliated companies (non-trade)	502,478	-
Other receivables (non-trade)	153,016	-
	<u>2,030,660</u>	<u>24,632,403</u>
Add: Cash and cash equivalents (Note 8)	<u>21,656,807</u>	<u>5,278,839</u>
Total loans and receivables	<u>23,687,467</u>	<u>29,911,242</u>

#### Trade receivables

The trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are denominated in Singapore Dollars.

#### Banker's guarantee

Banker's guarantee represent guarantee as required by Global Payments in order to provide services in accordance to the merchants agreement.

#### Related party balances

- Amounts due from subsidiaries are unsecured, bear interest at 5% p.a., repayable upon demand and are to be settled in cash.
- Amounts due from associate and affiliated companies are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 9. Trade and other receivables (continued)

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to S\$366,421 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group 31.3.2015 S\$
Trade receivables past due but not impaired:	
Lesser than 30 days	96,245
30 – 60 days	137,901
More than 60 days	132,275
	<u>366,421</u>

### 10. Investment securities

	Group 31.3.2015 S\$
Current:	
<i>Held-for-trading financial assets</i>	
Equity securities (quoted)	<u>12,091,307</u>
Non-current:	
<i>Available-for-sale financial assets</i>	
Equity securities (quoted)	770,322
Shares (unquoted), at cost	43,879
	<u>814,201</u>

Available-for-sale financial assets, shares (unquoted), comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. No intention to dispose of any unquoted available-for-sale financial assets existed at 31 March 2015.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 11. Plant and equipment

	Office Equipment S\$	Furniture and Fittings S\$	Motor Vehicle S\$	Total S\$
<b>Group</b>				
Cost				
Addition from acquisition of subsidiaries	66,416	86,262	-	152,678
Additions	10,929	61,077	95,800	167,806
Disposal of a subsidiary	(768)	(4,327)	-	(5,095)
At 31.3.2015	76,577	143,012	95,800	315,389
Accumulated Depreciation				
Charge for the year	56,213	41,312	4,790	102,315
Disposal of a subsidiary	(543)	(435)	-	(978)
At 31.3.2015	55,670	40,877	4,790	101,337
Net Carrying Amount At 31.3.2015	20,907	102,135	91,010	214,052

During the financial year, the Group acquired motor vehicle amounting to S\$95,800 by means of hire purchase. The cash outflow on acquisition of motor vehicle amounted to S\$25,800.

The carrying amount of motor vehicle under hire purchase at the end of the reporting period was S\$91,010.

### 12. Investment properties

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Addition from acquisition of a subsidiary, representing carrying amount at end of the financial period	208,667	-

There are no rental income nor direct operating expense arising from investment properties during the financial period.

#### Valuation of investment properties

The investment properties are still under development and are stated at the cost of investment. The investment properties held by the Group as at 31 March 2015 are as follows:

Description and Location	Existing Use	Tenure	Unexpired lease term
One unit of a mixed-use office located at Dela Rosa Street in Manila, Philippines	Offices	Freehold	n/a
Investment in the project for property development at 16-24 Lower Clifton Terrace, Brisbane, Australia	Residential	Freehold	n/a

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 13. Intangible assets

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Goodwill on acquisition		
Addition from acquisition of subsidiaries	3,441,621	-
Disposal of a subsidiary	(1,540,549)	-
At 31.3.2015	<u>1,901,072</u>	<u>-</u>

#### Impairment testing of goodwill

Goodwill acquired through business combination has been allocated to the same cash-generating unit (CGU) for impairment testing in the education segment.

The recoverable amounts of the CGU have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	2015
Growth rates	2%
Pre-tax discount rates	<u>5%</u>

The calculations of value in use for the CGU are most sensitive to the following assumptions:

**Budgeted gross margins** – Gross margins are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements. An increase of 5% per annum has been applied.

**Growth rates** – The forecasted growth rates are based on industry research relevant to the CGU.

**Pre-tax discount rates** – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flows estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service.

**Market share assumptions** – These assumptions are important because, as well as using industry data for growth rates (as noted above), management assesses how the CGU's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the education business to be stable over the budget period.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 14. Investment in subsidiaries

			Company 31.3.2015 S\$
Shares, at cost			4,779,957
Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 31.3.2015
<i>Held by the Company:</i>			
8 Investment Pte. Ltd.	Singapore	Investment dealings and management consultancy service	100%
8 Capital Pte. Ltd.	Singapore	Investment trading	100%
8 Business Pte. Ltd.	Singapore	Corporate and equity investment	100%
8 Education Pte. Ltd.	Singapore	Seminars and programs organiser	100%
8 Property Pte. Ltd.	Singapore	Seminars and programs organiser	100%
8 Property PLS Pte. Ltd.	Singapore	Business management consultancy service and investment holdings	100%
8 Media Pte. Ltd.	Singapore	Seminars and programs organiser	100%
<i>Held through 8 Business Pte. Ltd.:</i>			
Hemus Pacific Private Limited	Singapore	Event organiser	51%

*All the subsidiaries are audited by KONG, LIM & PARTNERS LLP, Public Accountants and Chartered Accountants, Singapore.*

#### Acquisition of immediate subsidiaries

On 5 June 2014 (the acquisition date), the Company acquired 100% equity interest in 8 Investment Pte. Ltd., 8 Capital Pte. Ltd., 8 Business Pte. Ltd., 8 Education Pte. Ltd., 8 Property Pte. Ltd., 8 Property PLS Pte. Ltd. and 8 Media Pte. Ltd. (the immediate subsidiaries) as part of the Group's restructuring process.

This restructuring process was for the purpose of listing the Company on the Australian Securities Exchange (ASX).

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 14. Investment in subsidiaries (continued)

The fair value of the identifiable assets and liabilities of the immediate subsidiaries as at the acquisition date were:

	Fair value recognised on acquisition S\$
Plant and equipment	147,583
Investment properties	208,667
Investment in securities	6,402,770
Prepaid operating expenses	50
Trade and other receivables	990,881
Cash and cash equivalents	4,825,565
	<hr/> 12,575,516
Income tax payable	(350,862)
Unearned revenue	(899,938)
Trade and other payables	(6,495,753)
Deferred tax liabilities	(31,237)
	<hr/> (7,777,790)
Total identifiable net assets at fair value	4,797,726
Gain from bargain purchase	(17,769)
	<hr/> <hr/> 4,779,957
 <u>Consideration transferred for the acquisition of the immediate subsidiaries</u>	
Shares swap, representing the total consideration transferred	<hr/> <hr/> 4,779,957

#### Trade and other receivables acquired

Trade and other receivables acquired with fair value of S\$990,881 is expected to be collected.

#### Gain from bargain purchase

A gain from bargain purchase of S\$17,769 has been recognised as other income in the current financial period. The gain recognised is not expected to be taxable for income tax purposes.

#### Impact of the acquisition on profit and loss

From the acquisition date, the immediate subsidiaries have contributed S\$8,900,000 of revenue and S\$4,900,000 to the Group's profit after tax for the financial period. If the business combination had taken place on 1 April 2014, the Group's revenue would have been S\$11,400,000 and the Group's profit, net of tax would have been S\$5,500,000. The cost of shares swap was expense taken directly to share capital reserve.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 14. Investment in subsidiaries (continued)

#### Acquisition of Hemus Pacific Private Limited

On 16 January 2015 (the acquisition date), the Group's subsidiary company, 8 Business Pte. Ltd., acquired 51% equity interest in Hemus Pacific Private Limited (the "HPPL"), a successful property and events management business since 2005, with an audited revenue of more than S\$4,400,000 in financial year 2014.

The acquisition of HPPL will provide the Company with access to retail properties and events operated by HPPL. These properties are typically located in retail shopping centres and mass transit interchanges with very high foot traffic. HPPL specialises in operating promotional events in these locations, which can be synergised to provide the Group with ongoing opportunities to attract enrolments for its financial education seminars and courses.

HPPL operates as a master property manager for many properties located in mass transit terminals and has close working relationships with SBS Transit Ltd and SMRT Corporation Ltd. The management anticipates that relationships with these clients will provide the Group with access to future property co-development and investment opportunities with prominent real estate owners and developers.

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

	Fair value recognised on acquisition S\$
Trade and other receivables	1,780,864
Cash and cash equivalents	181,535
	<u>1,962,399</u>
Deferred tax liabilities	(1,344)
Income tax payable	(76,000)
Trade and other payables	(812,648)
	<u>(889,992)</u>
Total identifiable net assets at fair value	1,072,407
Non-controlling interest measured at the non-controlling interest's proportionate share of immediate subsidiaries' net identifiable assets	(525,479)
Goodwill arising from acquisition	1,901,072
	<u>2,448,000</u>
<u>Consideration transferred for the acquisition of the immediate subsidiaries</u>	
Cash paid, representing the total consideration transferred	<u>2,448,000</u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 14. Investment in subsidiaries (continued)

#### Trade and other receivables acquired

Trade and other receivables acquired with fair value of S\$1,129,181 is expected to be collected.

#### Goodwill arising from acquisition

The goodwill of S\$1,824,573 comprises the value of providing the Group with access to future property co-development and investment opportunities with prominent real estate owners and developers. None of the goodwill recognised is expected to be deductible for income tax purposes.

#### Impact of the acquisition on profit and loss

From the acquisition date, HPPL has contributed S\$1,300,000 of revenue and S\$300,000 to the Group's profit after tax for the financial period. If the business combination had taken place on 1 April 2014, the revenue from operations would have been S\$10,600,000 and the Group's profit from operations, net of tax would have been S\$8,300,000.

### 15. Investment in associate

			Group 31.3.2015 S\$
Shares, at cost			1,530,000
Disposal during the financial period			(600,000)
Share of post-acquisition reserves			29,696
			<u>959,696</u>
Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 31.3.2015
<i>Held through 8 Business Pte. Ltd.:</i>			
CPA Academy Pte. Ltd.	Singapore	IT business and seminars organiser	31%

*The associate is audited by KONG, LIM & PARTNERS LLP, Public Accountants and Chartered Accountants, Singapore.*

On 30 January 2015 (the acquisition date), the Group's subsidiary company, 8 Business Pte. Ltd., acquired 51% equity interest in CPA Academy Pte. Ltd. (the "CPAA"), a successful provider of training courses on online lead generation marketing, and conducting online lead generation on behalf of various clients.

The acquisition of CPAA will provide the Group with additional course offerings for its education division. In addition, the expertise and experience of the management of CPAA will synergise with the Group in creating more education events and programs. The marketing and lead generation activities of CPAA are also expected to generate additional enrolments for the Group's financial education seminars and courses.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 15. Investment in associate (continued)

Subsequent to the acquisition of CPAA, the management worked with CPAA's founder to transform CPAA from an education provider to an internet advertising "traffic platform" provider. CPAA plans to develop an online advertising platform, Trafficpedic, which connects online advertisers with web and mobile publishers.

Trafficpedic will be a natural complement to CPAA's training division, which provides value to non-tech professionals and educates them on becoming online entrepreneurs in the lead generation business, where they will be able to generate commission from companies on a per lead basis, through multiple sources including online advertising and various traffic websites.

With a lack of online advertisement platforms in the Asia Pacific region for small and medium enterprises, the focus of Trafficpedic will be in the Asia Pacific region, starting from Singapore, and concentrating on delivering the highest traffic quality to advertisers for positive return on investment, while maximising online revenue for web publishers via Trafficpedic.

On 30 March 2015 (the disposal date), as part of the strategic plan to raise capital in CPAA to develop Trafficpedic, the Group entered into a sale and purchase agreement with an investor through its subsidiary, 8 Business Pte. Ltd., to sell 39.2% of its holding in CPAA at a consideration of \$4,500,000. The Group recognised a gain of \$3,880,841 as a result of the sale. The sale reduced the Group's stake in CPAA from 51% to 31%. Accordingly, CPAA ceased to be a subsidiary and became an associate company of the Group.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group 31.3.2015 S\$
Assets and Liabilities	
Total assets	764,574
Total liabilities	<u>(689,463)</u>
Results for the period (30.1.2015 to 31.3.2015):	
Revenue	571,092
Profit for the period	<u>95,796</u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 16. Trade and other payables

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Trade payables	53,894	18,441
Accrued operating expenses	342,096	12,400
Deposits received	183,876	-
GST payable	149,393	-
Amounts due to related parties (non-trade)	181,342	-
Other payables	43,416	-
Trade and other payable	954,017	-
Hire purchase	64,165	-
Total trade and other payables, representing financial liabilities carried at amortised cost	<u>1,018,182</u>	<u>30,841</u>

#### Trade and other payables

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

Trade and other payables are denominated in Singapore Dollars.

#### Amounts due to related parties

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

#### Hire purchase

This amount is secured by a charge over the leased asset (Note 11). The effective interest of the lease is 2.28% p.a. This hire purchase is denominated in Singapore Dollars.

Minimum lease payments and present value of the minimum lease payments are as follows:

	Group 31.3.2015 Minimum lease payments S\$	Present value of payments S\$
Not later than one year	25,047	22,477
Later than one year but not later than five years	43,507	41,688
Total minimum lease payments	68,554	64,165
Less: amounts representing finance charges	(4,389)	-
Present value of minimum lease payments	<u>64,165</u>	<u>64,165</u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 17. Unearned revenue

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

### 18. Deferred tax liabilities

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Differences in depreciation for tax purposes	2,831	-
Difference in fair value reserve for available-for-sale securities for tax purposes	38,500	-
	<u>41,331</u>	<u>-</u>

### 19. Share capital

	Group and Company	
	No. of shares	S\$
Issued and fully paid ordinary shares		
At 17.5.2014 (date of incorporation)	100,000,000	116
Issuance of shares	168,814,665	26,114,998
Conversion of related party loans to shares	58,329,535	670,440
Conversion of other loans to shares	30,000,000	5,216,977
Share issuance expense	-	(1,018,840)
At 31.3.2015	<u>357,144,200</u>	<u>30,983,691</u>

The shareholders 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.

During the financial period, there were no returns to shareholders including distributions and buy backs.

### 20. Other reserves

Fair value reserve

Fair value reserve represents the cumulative unrealised fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 21. Employee benefits

	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Employee benefits expense (including directors):	
Salaries, bonuses and fees	1,507,991
Central Provident Fund contributions	126,330
Other short-term benefits	15,012
	<u>1,649,333</u>

### 22. Related parties transactions

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

#### a) Sale and purchase of goods and services

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

	Group 17.5.2014 (date of incorporation) to 31.3.2015 S\$
Professional fees paid to an affiliated company <sup>1</sup>	117,473
Sale of course materials to an affiliated company <sup>2</sup>	<u>140,939</u>
b) Compensation of key management personnel	
Salaries, bonuses and fees	846,682
Central Provident Fund contributions	35,860
	<u>882,542</u>
<i>Comprise amounts paid to:</i>	
Directors of the Company	670,777
Other key management personnel	<u>211,765</u>
	<u>882,542</u>

#### Note:

- 1 The professional fees are paid to SmallCap Corporate Pty Ltd, a company which Mr Zane Robert Lewis has a significant interest, for services provided to list the Company on the Australian Securities Exchange and company secretary services performed during the financial period.
- 2 The sales of course materials were made to 8 Education Sdn Bhd, a company which Mr Chee Kuan Tat, Ken and Mr Clive Tan Che Koon have a significant interest.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 23. Commitments and contingent liabilities

Operating lease commitments – as lessee

The Group has entered into commercial leases on event spaces and office premises. These leases have tenures of 6 months to 3 years with no renewal option or contingent rent provision included in the contracts. The Group is restricted from subleasing the office premises to third parties.

Minimum lease payments recognised as expense in the income statement for the financial period ended 31 March 2015 amounted to S\$899,923.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group 31.3.2015 S\$
Not later than one year	1,368,000
Later than one year but not later than five years	<u>247,000</u>
	<u>1,615,000</u>

Contingent liabilities

Except as disclosed in the financial statements, the Group does not have any significant contingent liability at the end of the financial period.

### 24. Fair value of assets and liabilities

#### a) Fair value hierarchy

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

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

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

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 24. Fair value of assets and liabilities (continued)

#### b) Financial instruments measured at fair value

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

	Fair value measurements at the end of the reporting period using			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Group	S\$	S\$	S\$	S\$
As at 31.3.2015				
Assets measured at fair value				
Financial assets:				
<u>Held-for-trading financial assets</u>				
Quoted equity securities	12,091,301	-	-	12,091,301
<u>Available-for-sale financial assets</u>				
Quoted equity securities	770,322	-	-	770,322
Unquoted equity securities	-	-	43,879	43,879
	<u>12,861,623</u>	<u>-</u>	<u>43,879</u>	<u>12,905,502</u>
Non-financial assets:				
<u>Investment properties</u>				
Commercial	-	-	148,667	148,667
Residential	-	-	60,000	60,000
	<u>-</u>	<u>-</u>	<u>208,667</u>	<u>208,667</u>

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted bid prices at the end of the reporting period, excluding transaction cost.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 24. Fair value of assets and liabilities (continued)

#### c) Level 3 fair value measurement

- i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31.3.2015	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
Unquoted equity securities	43,879	Market comparable approach	Yield adjustments based on management's assumptions*	5%
Investment properties				
Commercial	148,667	Market comparable approach	Yield adjustments based on management's assumptions*	5%
Residential	60,000	Market comparable approach	Yield adjustments based on management's assumptions*	5%

\*The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For unquoted equity securities and investment properties, a significant increase (decrease) in yield adjustments based on management's assumptions would result in a significantly lower (higher) fair value measurement.

- ii) Movements in Level 3 assets measured at fair value

There are no movements in Level 3 assets measured at fair value during the reporting period.

- iii) Valuation policies and procedures

The Group's Chief Financial Officer (CFO) oversees the Group's financial reporting valuation process and is responsible for setting the documenting the Group's valuation policies and procedures.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 25. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market price risk and liquidity risk. 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.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result the Group's exposure to bad debts is not significant.

The Group minimised its credit risk through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

#### *Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings:

	Group 31.3.2015 S\$	Company 31.3.2015 S\$
Cash and cash equivalents	<u>21,656,807</u>	<u>5,278,839</u>

The Group has no significant concentration of credit risk with any single counterparty or group counterparties. Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 25. Financial risk management objectives and policies (continued)

#### Market risk

##### i. Interest rate and foreign currency risk

The Group's exposure to interest rate and foreign currency risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates or foreign currency will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Group to interest rate and foreign currency risk are limited to listed shares, and cash and cash equivalents.

The Group has no significant exposure to interest rate risk and foreign currency risk, attributable to floating interest rate financial liabilities and small exposure in foreign currency financial instruments respectively.

##### ii. Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Such risk is managed through diversification of investments across industries and geographic locations.

The Group's investments are held in the following sectors at the end of the reporting period:

	Group 31.3.2015 S\$
Available-for-sale financial assets – non-current	
Automotive	66,300
Conglomerate	82,620
Entertainment	130,781
Food and beverage	28,350
Food producer	81,500
Healthcare	41,748
Property	110,408
REIT	228,615
Real estate development	43,879
	<u>814,201</u>

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 25. Financial risk management objectives and policies (continued)

Market risk (continued)

ii. Other price risk (continued)

	Group 31.3.2015 S\$
Held-for-trading financial assets – current	
Conglomerate	2,384,645
Entertainment	1,363,225
Financial service	2,492,926
Food and beverage	497,475
Food producer	1,857,324
Healthcare	415,230
Property	1,506,924
REIT	1,573,558
	<u>12,091,307</u>

#### *Sensitivity analysis*

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, foreign currency rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

	Profit S\$	Equity S\$
Period ended 31.3.2015		
+/-5% in forex rates	+/-286,506	+/-296,691
+/-10% in listed investments	<u>+/-1,286,163</u>	<u>+/-1,363,195</u>

#### Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk is minimum due to net current asset of S\$32,497,631 as at 31 March 2015.

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 26. Capital management

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.

### 27. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

- I. The investment segment is involved in investments in listed securities.
- II. The corporate segment is involved in Group-level corporate services, treasury functions and private investment in companies with IPO potential.
- III. The education and event segment is involved in financial education, training seminar and event organisation business.
- IV. The property segment is in the business of constructing, developing and leasing out of residential and commercial properties. This reportable segment has been formed by aggregating the property construction/development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

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. Group income taxes are managed on a group basis and are not allocated to operating segments.

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

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 27. Segment information (continued)

	Investment	Corporate	Education and event	Property	Adjustments and eliminations	Notes	Per consolidated financial statements
	31.3.2015	31.3.2015	31.3.2015	31.3.2015	31.3.2015		31.3.2015
	S\$	S\$	S\$	S\$	S\$		S\$
Revenue							
External customers	*1,436,814	3,876,976	5,285,329	70,200	-		10,669,319
Inter-segment	920,687	3,780,000	-	298,682	(4,999,369)	A	-
Total revenue	2,357,501	7,656,976	5,285,329	368,882	(4,999,369)		10,669,319
Results:							
Interest income	4,567	469,534	-	-	(465,919)	A	8,182
Depreciation	13,700	-	52,696	35,919	-		102,315
Segment profit	1,218,660	3,586,331	921,605	9,344	(7,168)	B	5,728,772
Assets:							
Investment in associate	-	959,696	-	-	-		959,696
Additions to non-current assets	895,707	1,824,573	148,297	269,415	-	C	3,137,992
Segment assets	22,075,127	10,755,751	5,997,938	499,764	959,696	D	40,288,276
Liabilities							
Segment liabilities	93,263	42,440	2,793,959	9,321	839,184	E	3,778,167

\* Revenue from investment mostly pertained to fair value gain and dividend income from investment in equity security.

Notes Nature of adjustments are eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B The following item is deducted from segment profit to arrive at "profit before tax" presented in the consolidated income statement:

31.03.2015

S\$

Finance costs

(7,168)

C Additions to non-current assets consist of additions to plant and equipment, investment properties, intangible assets and investment securities.

D The following item is added segment assets to arrive at total assets reported in the consolidated balance sheet:

31.03.2015

S\$

Investment in associate

959,696

## Notes to the Financial Statements

For the financial period from 17 May 2014 (date of incorporation) to 31 March 2015

### 27. Segment information (continued)

E The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

31.03.2015

S\$

Deferred tax liabilities	41,331
Income tax payable	797,853
	<u>839,184</u>

### 28. Dividends

Group and  
Company  
31.03.2015

S\$

Proposed but not recognised as a liability as at 31 March 2015

*Dividends on ordinary shares, subject to shareholders' approval at the AGM:*

- Final exempt (one-tier) dividend for 2015: 1.00 (SGD cent) per share 3,571,442

### 29. Events occurring after the reporting period

On 1 April 2015, the Group entered into a non-binding memorandum of understanding to acquire 49.9% of Velocity Holdings Limited ("Velocity") for A\$2,329,207. Velocity is currently engaged in three projects in Brisbane suburbs of Red Hill and Bulimba, and has a significant pipeline of future projects. The acquisition is subject to due diligence by the Group, and certain regulatory approvals in Australia which are expected to take several months to finalise, and the parties agreeing formal documentation.

On 28 April 2015, the Company entered into agreements to provide S\$2,000,000 loan facilities to Oxford Views Pte. Ltd. ("Oxford"), a company within Velocity group of companies. As at 7 May 2015, Oxford has since drawn down on the facilities in the amount of S\$1,708,524. The loans are guaranteed by a director of Oxford, and carries an interest rate of 12% per annum. The loan can be called by the Company for repayment in full by providing 5 days notice.

### 30. Comparative figures

The Company was incorporated on 17 May 2014. This being the first set of financial statements, there are no comparative figures.

### 31. Authorisation of financial statements for issue

The financial statements for the period from 17 May 2014 (date of incorporation) to 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 15 May 2015.