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ENTERPRISE
10.43 --- CDN\$
OUTLOOK TO POSITIVE FROM STABLE
1.0780 / 1.0785
EUR

8I INTERIM REPORT FY2016

8I Holdings Limited and Its Subsidiaries (8IH)
Interim Financial Information
For the six months ended 30 September 2015

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■ VALUE INVESTING

293mil
MARKET VALUE

48mil
NET ASSETS

28
ENTITIES

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■ PRIVATE EQUITY

■ PROPERTY

■ EDUCATION & EVENT

22mil
REVENUE
& OTHER INCOME

15mil
NET PROFIT
(AFTER TAX)

3
COUNTRIES

1
MISSION

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IMPORTANT UPDATES

FIRST HALF FINANCIAL YEAR 2016

Sale of shares in Digimatic Group Ltd

8IH disposed 68,320,000 shares of Digimatic Group Ltd during the financial period as part of the Group's strategic move. Accordingly, the Group recognised a gain on disposal of S\$9,442,476. The management does not foresee a similar gain to recur in the second half of the financial year.

Formation of the Private Equity Division

The formation of the Private Equity ("PE") division was formalised in October 2015 with the addition of two new members; Ms Low Ming Li and Ms Cindy Yap, both with professional financial backgrounds. With Ming Li's 13 years of financial accounting experience and Cindy's 10 years of banking experience in the Asian capital markets, they will be leading the investment deals in private businesses for the 8I Group according to its Value Investing methodology.

Investment in private businesses is not new to the Group, as seen in our current portfolio of investments in Digimatic Group Ltd, Hemus Pacific Pte Ltd and Velocity Property QLD, where an upcoming public listing of an investee saw an overwhelming 100% oversubscription in its recent book building exercise. The

formalisation of this division signifies the ever-growing importance of our private equity investments towards 8IH's vision of being the Berkshire Hathaway + BlackRock of Asia.

Unlike the typical private equity model, we believe in building a long-term relationship throughout the Private Equity lifecycle and beyond. We believe our unique value proposition lies in our strategy of assuming multiple roles for our investees:

Corporate Strategist: We believe in creating a value-added ecosystem. With our extensive network, experience and partners, we have the ability to facilitate meaningful collaborations to enhance the corporate valuation. We will also provide advisory in the area of corporate finance and governance;

Strategic Investor: In order to ensure that the vision and interests are aligned for the various stakeholders, we will typically subscribe and maintain a meaningful stake in the investee, both pre and post public listing respectively;

Lead Manager: Cornerstone support to public listing for the success of our investees and quality book building for a public listing launch.

The PE team will focus on attracting a good pipeline of investment deals that will empower growth in growing businesses that create sustainable value for humanity in addition to contributing to the bottom-line of the Group.

Education Division in China and Malaysia

8IH entered into a joint venture agreement in August 2015 with Mr Tian Dehua to incorporate a China Wholly Foreign - Owned Enterprise (the "8I China") to expand 8IH's business in China.

Mr Tian graduated from Hubei University in 1997 with a Degree in Accounting (Economics). He has many years of working experience as top management in reputable organisations, and brings with him wealth of experiences and network within the local investment and fund management sector.

8IH and Mr Tian have agreed to work together in promoting 8IH's business as well as the smooth

and efficient operations of 8I China. The combination of the experience of the executive team at 8IH and local experience of Mr Tian will greatly assist the growth rate and success of 8I China. 8I China is expected to be setup and ready for operations by first quarter of 2016.

In addition, 8IH acquired 8 Education Sdn Bhd (the "8E Malaysia") in July 2015. 8E Malaysia provides financial education and training seminars in major cities across Malaysia. The acquisition of 8E Malaysia is also in line with the Company's Value Investing strategy of investing in growth opportunities in the education market.

Acquisition of Velocity Property QLD by the Property Division

On 2nd July 2015, the Group completed the acquisition of 49.9% of Velocity Property QLD, which consists of 12 entities.

Velocity Property QLD is a vibrant, young, boutique property development firm that specialises in cosmopolitan developments throughout the inner suburbs of Brisbane, Australia. It is currently developing five property sites in the Brisbane suburbs of Red Hill and Bulimba with a combined project value amounting to approximately A\$53 million. Two of the developments are expected to complete in first quarter of 2016.

VALUES & MISSION

Our Values express the attitudes and the culture 8IH's employees stand for. The Values give clear guidelines for the priorities which form the basis for the further development of the company.

We Do What We Think and Say

As individuals and as a team to uphold the integrity and congruency of the organisation

We Enjoy What We Do

With the beliefs and passion of serving humanity, in order to produce sustainable growth and long term results.

We Correct without Invalidation of Self & Others

In order to take ownership and progress beyond the learning experiences, towards greater heights and achieving Personal Mastery.

We Take Care of One Another

So that there will be no man or woman left behind

We are Value-Conscious, For the Price Paid

As individuals and an organisation to utilise all resources wisely.

We Uphold the Trust of our Stakeholders

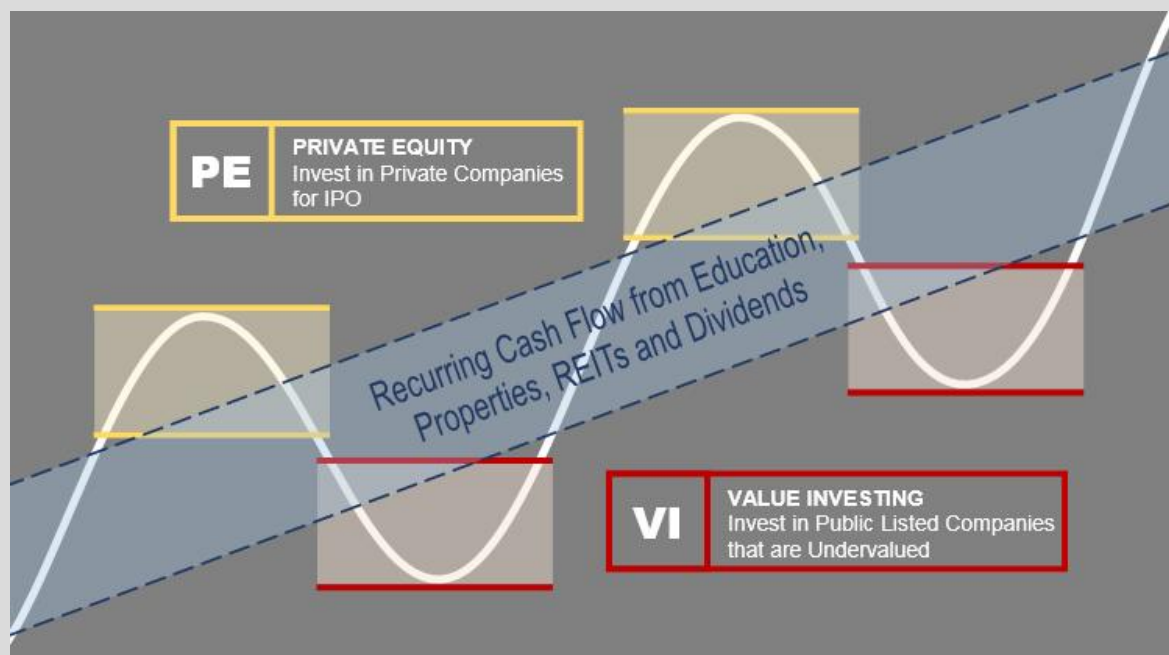
Through our beliefs, behaviour and actions in the long term, which enables us to grow as an organisation with our Stakeholders.

MISSION STATEMENT

EMPOWERING GROWTH

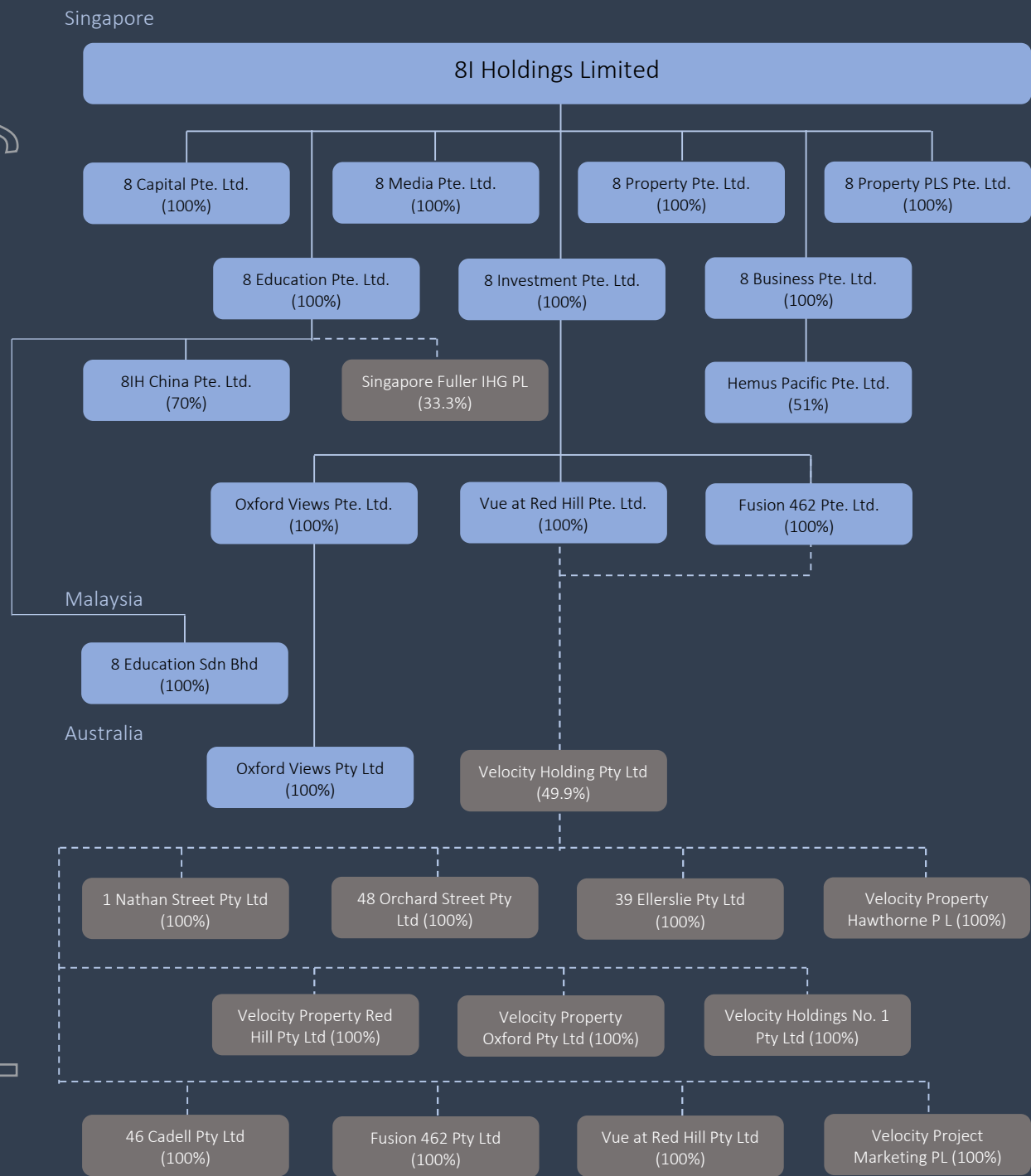
"The 8IH is founded upon and stands by its mission to provide the right resources to inspire and empower the growth of 100 million lives through Education, Investment and Business."

BUSINESS MODEL



8I HOLDINGS LIMITED

GROUP STRUCTURE



GROUP SEGMENTS

Value Investing

Invest in quoted equity securities of reputable public listed companies

Private Equity

Invest in potential private companies & assist them in IPO

Education & Event

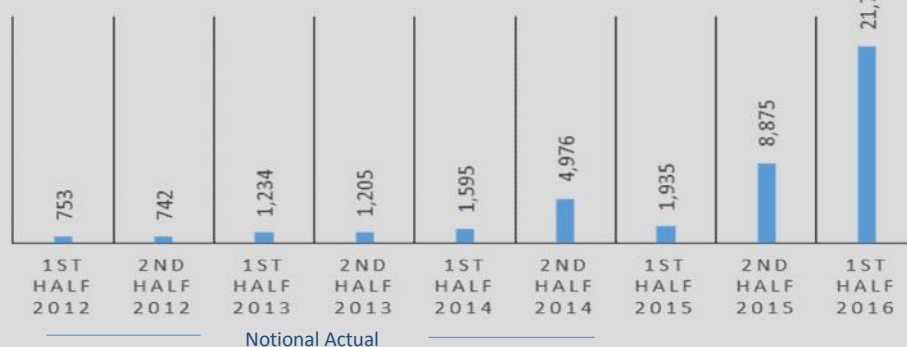
Provide value investment training & other event organisation

Property

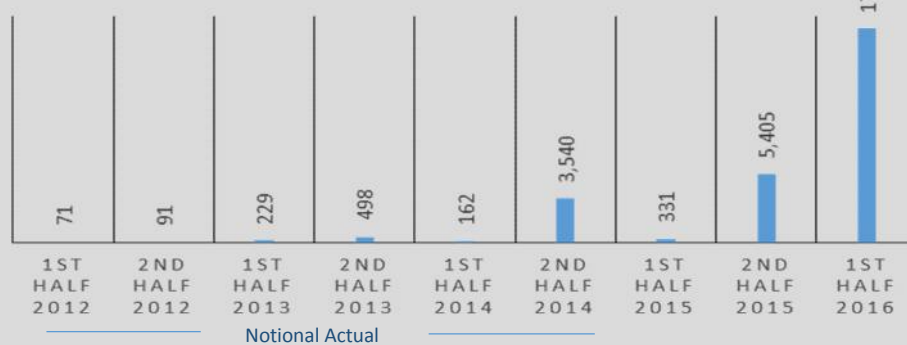
Development of residential & commercial properties

INTERIM REPORT FY2016

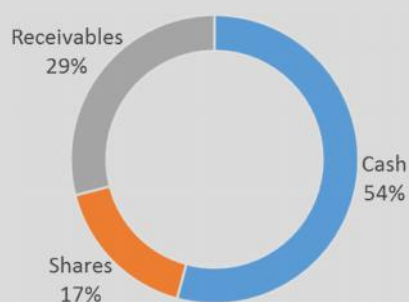
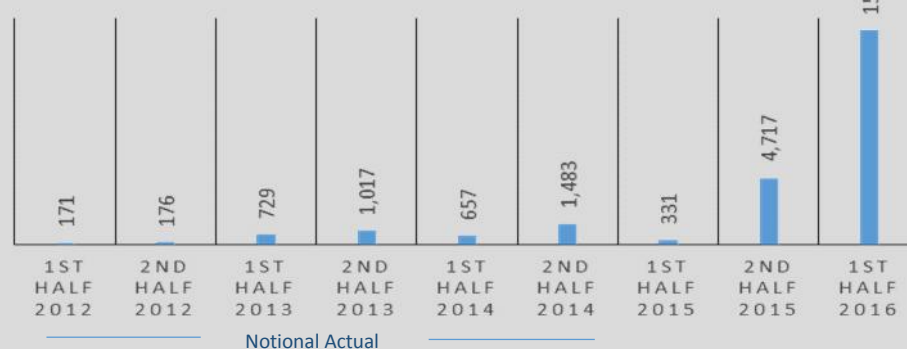
REVENUE & OTHER INCOME (S\$'000)



EBIT (S\$'000)



TOTAL COMPREHENSIVE INCOME (S\$'000)



Total Liquid Assets: S\$44 million

Chairman's Message

Dear Valuable Partners,

It gives me great pleasure to present this half-year report to you.

Firstly, your company's first half FY2016 earnings has jumped 45 times as compared to the earnings for the first half of FY2015. In fact, the first half FY2016 earnings after tax is triple that of the FY2015 earnings (from S\$5 million to S\$15 million).

This demonstrates the strength of your company's ecosystem and business model. However, I would like to stress that this result is only possible because of the following factors:

1. We started off with a small base. Hence, it is much easier to scale from a smaller base before the structural disadvantage of larger numbers set in.
2. Our Harness and Harvest will work well when we can identify a good, growing company with capable management; groom them for growth within our ecosystem; and listing them eventually. The timeline could take anywhere between 12 to 36 months. Some will grow faster than others, and in this case, we found a very fast grower. We are indeed lucky.

In a nutshell, as much as we do our best to comb and scout for good undervalued opportunities, we cannot promise that we can keep producing such astonishing results year after year.

In addition, your board and management team are well aware of the danger and risks of growing too fast. Will our heads swell too big for our own good and undertake unnecessary risks without realising it?

Charlie Munger once said, "All I want to know is where I'm going to die so I'll never go there". To counter any egotistical demon inside me, I have been reading a Chinese book recommended by the investment team, titled "The Greatest Failures" <大败局>. It contains all the classic boom-to-bust Chinese companies in China in the last decade and their key lessons in business and management decisions. This book is more dramatic than my SIA KrisFlyer inflight media channel and has kept me entertained during my intense travel schedule.

Secondly, there is a positive refinement in the value investing approach of your company's equity division.

As you may have known, we have had Kee Koon Boon on board since 1st September 2015 as your company's Chief Investment Officer.

According to a famous Chinese novel, "Romance of the Three Kingdoms", one of the rulers, Liu Bei, visited his strategist, Zhuge Liang thrice at his hideout in the deep mountains before the latter agreed to support him and his team to achieve his vision. I had it better; it took me two years and eight visits to get Koon Boon on board. Is it worth it? I suggest that you read his investment section after my statement before answering this question.

Immediately after Koon Boon came on board, he and the current analyst team fine-tuned and sharpened our value investing approach and rebalanced your company's portfolio.

The equity investment segment lost about S\$2.37 million (out of the S\$20 million portfolio allocation including cash) in the first half of the financial year. Out of which, S\$1.369 million are fair value loss and S\$0.998 million are realised loss. Most of the realised loss happened during the July to September period in conjunction with the deep market correction. I am sorry and fully responsible for this loss because I gave permission for Koon Boon and the team to restructure it without much delay.

I believe that it is always better to nip the critical issues in the bud instead of waiting.

Thirdly, our education and events division has increased the unearned revenue to S\$3 million with improved earnings for the first half of FY2016. Pauline, Jenny, Jimmy, Gary, Juanna and their respective teams did an excellent job so far.

Lastly, our property division is expected to start completing its development projects by the second half of FY2016.

Thank you so much for your support!

Ken Chee
Ken Chee
Chairman



Investing with conviction to outperform in times of volatility and uncertainty

Our Investment Strategy

"Charlie and I decided long ago that in an investment lifetime, it's too hard to make hundreds of smart decisions. We adopted a strategy that required our being smart only a very few times. If you are a know-something investor, able to understand business economics and to find five to ten sensibly-priced companies that possess important long-term competitive advantages, conventional diversification makes no sense for you. It is apt simply to hurt your results and increase your risk. I cannot understand why an investor of that sort elects to put money into a business that is his 20th favourite rather than simply adding that money to his top choices – the businesses he understands best and that present the least risk, along with the greatest profit potential. In the words of the prophet Mae West: Too much of a good thing can be wonderful."

- Warren Buffett in Berkshire Hathaway's Annual Letter to Shareholders in 1993

"Too much of a good thing can be wonderful". This penetrating comment by Warren Buffett captures the essence of our investment strategy going forward to make ongoing market volatility and uncertainty our friend in generating long-term outperformance.

Investing with Conviction to Overcome "Disposition Effect" and Make Market Volatility Our Friend

The disposition of the typical investor in selling winners too early and keeping losers for too long is a reflexive choice under uncertainty and reflects an aversion to loss realisation. In our view, investors ride losers far too long to postpone regret, hoping for a rebound in prices, and sell winners too quickly because they want to hasten the feeling of pride at having chosen correctly in the past.

Market volatility and chaos, mania and panic - they would be our friend if we have the willpower quotient to overcome this harmful disposition effect. This willpower comes from anchoring ourselves with knowledge in identifying and investing in misunderstood, neglected, overlooked and underappreciated wide-moat companies and sizing up the portfolio bets with conviction when the

management continues to deliver in their long-term business plans. Such conviction requires intensive analysis and monitoring of companies and entrepreneurs. This is akin to the investment decision process when Buffett invested 42% of Berkshire Hathaway's funds in American Express in 1974, whose share price has since compounded over 3,000%. In essence, position size can be more important than entry prices.

To align ourselves with this investment approach which allows for 8IH to protect, to preserve, and to guard our shareholders' funds in difficult times, we have made an extensive review and restructuring of our investment portfolio in the month of September, whereby we sold off 11 companies because of (1) the narrowing or deterioration in their economic moats; (2) the inability to reinvest profits back into core business to widen the moat; (3) management integrity and corporate governance issues. The heartening thing is that our investment returns were buttressed in investments in wide-moat innovators as our current portfolio is up 6.7% in the rolling 12-months, outperforming the Straits Times Index which is down by 14.8% over the same period.

Identifying the Underappreciated Wide-Moat Businesses and Sizing Up Our Portfolio Bets

To illustrate how we can and will improve our investment performance going forward, we will briefly highlight the thought process in some of our winners in our current investment portfolio - Thailand's *Major Cineplex* and Malaysia's largest synthetic nitrile glove-maker *Hartalega*. Our 12-month rolling returns (in SGD terms) from Major and Hartalega are 32.1% and 11.8% respectively, overcoming the performance drag from the sharp depreciation of the Baht and Ringgit currencies and trouncing the negative 14.8% decline in the Straits Times Index. Our average annualised returns since we initiated the purchase of Major Cineplex and Hartalega is 46.3% and 28.3% respectively.

To gain conviction in sizing up the investment bet, we apply the acid test for our stocks with a seemingly simple but profound question: "Does the business get easier as it gets bigger?"

CEO Khun Vicha Poolvaraluck, a proven innovator with an eye for detail in operations and execution, has built Major Cineplex into a lifestyle entertainment business model attracting 30 million Thai consumers to its “destination to be”, resulting in a dominant 80% market share with strong operating cash flow generation ability to support dividend yield and expansion plans. An underappreciated wide moat factor is its advertising services business segment, which is the crown jewel of the group despite contributing only 13% to group sales. A full-range of advertising services are provided to advertisers and media agencies, ranging from simple cinema screen advertising to fully-integrated below-the-line media solutions in the Cineplex network. These include VDO walls, tri-vision, LED/marquee boards, plasma screens, poll signs, bowling masking units, outdoor media (billboard). This is additional revenue generated on existing assets with high gross profit margin of 86-88% with minimal CAPEX investments.

Thus, as Major Cineplex expands its screen penetration into upmarket and provincial areas outside the Bangkok metropolitan area, advertisers will pay even more for the consumer reach. The business gets easier as it gets bigger. This is akin to the old newspaper model in which ad revenue climbs exponentially with greater readership reach. That’s how Rupert Murdoch scaled up News Corp by buying up newspapers regionally and globally and consolidating them as a bundle with a greater readership reach to pitch to advertisers. Yet, when Murdoch was building this business model before its categorisation into a “wide-moat” business becomes obvious, investors underappreciated the tipping point dynamics of the business model once the network grows to a certain critical mass to generate exponential returns subsequently.

For Hartalega, its rivals Top Glove, Kossan, Supermax can also produce nitrile gloves, but not to its scale and focus; in other words, the businesses of its competitors do not get easier as it gets bigger. The tipping point in the business model was when founder Kuan Kam Hon and his son Kuan Mun Leong launched the world’s thinnest 4.7g nitrile glove in 2005 and subsequently an even thinner 3.7g nitrile glove in 2007, creating a pull-based market in which the nitrile gloves can be used by healthcare professionals and patients who are allergic to rubber protein. Before Hartalega, nitrile gloves were chiefly used in industrial applications and not in the medical sector due to their heavy weight and thickness, which was a hindrance for medical practitioners in the examination of patients. The Kuans demonstrated far-sightedness when they invested in

automated mechanical stripping system that mimics the human hand motion of stripping gloves off and industrial barcode tech system to scale up to 45,000 gloves an hour at a lower cost, accumulating intangible know-how that gets stronger as they grow bigger.

Stock	% Weight of Stock in Portfolio			
	Original	Sizing Scenario 1	Sizing Scenario 2	Sizing Scenario 3
Major Cineplex	4%	20%	25%	30%
Hartalega	2%	20%	15%	10%
Other Stocks	94%	60%	60%	60%
12 month Rolling Returns (in SGD)	6.7%	13.7%	15.6%	17.4%
vs STI -ve 14.8%				

The above table illustrates the 12-month rolling return of our investment portfolio under 3 different scenarios when the portfolio bet size in Major Cineplex and Hartalega is increased. In the original situation, the return is 6.7% when the actual weight of Major Cineplex and Hartalega is 3.9% and 1.6% respectively based on the investment cost. When the portfolio weight is increased to 20% for each stock, portfolio returns doubled to 13.7%. In the scenario when the weight in Major Cineplex and Hartalega is increased to 30% and 10% respectively, portfolio returns jumped to 17.4%. Noteworthy is that the portfolio returns are in SGD, outperforming the Straits Times Index which is down 14.8%.



Investment Team

From left to right:

Sim Zhipeng, Joshua Zhang, Alex Ng, Kee Koon Boon,
Low Chern Hong, Kelvin Seetoh, Jackson Yeow

Staying Vigilant for Tipping Point in Business Model to Lower Valuation Risk

Thus, to build our investment conviction in order to size our bets with prudence, we are vigilant to tipping points in business models that will result in a valuation re-rating and potential index inclusion if they are not yet in the index. We are watchful for longer-term fundamental changes, as opposed to reacting to short-term news “catalysts” which could be manipulated to create buzz around a stock. Some of these include:

- New products or services, and new markets and customers: We employ textual analysis of the companies with relevant keywords using linguistic databases on a bi-weekly to monthly basis that include “new product(s)”, “new development”, “patents”, “research and development”, “innovation”, etc. We monitor the ratio of the sales contribution from new products/services and markets/customers.
- Robust improvements in CAPEX execution efficiency and cash conversion cycle (CCC): We monitor the CAPEX efficiency ratio in CAPEX as a percentage of new sales, gross profitability, EBITDA and operating profit; widening of the CCC advantage on an absolute and relative basis to its rivals.
- Significant corporate event in spin-offs, M&As, restructuring.
- Overall health of value chain and ecosystem: We like to invest in quiet resilient consolidators in fragmented industries and we monitor news of strengths in the companies’ customers, weaknesses in their rivals, and harmonious relationship with their suppliers and stakeholders.
- Corporate culture, strategy, innovation, partnerships: We are fervent readers of interview transcripts and articles on the management to gain an understanding on (1) the management’s desire in cultivating a culture of decentralisation, trust and cooperation to foster innovative experimentations, including investing in a system to cascade decision rights throughout the organisation; (2) the management’s discipline in handling power and wealth; (3) the management’s focus and sense of urgency to build something with a Purpose and commit to an idea larger than themselves to care for and serve others with love; (4) the management’s skin in the game with aligned performance-based incentives. We monitor the sales, EBITDA and EBIT per employee. Our textual analysis of relevant keywords include: “culture”, “empowerment”, “trust”, “support”, “decisions”.

Structuring the Investment Process and Team to Scale Up

We have structured our research and decision-making process to foster vigilance, collaboration, and engagement and to leverage off the strengths of one another in our investment team of 7 (5 in Singapore and 2 in Malaysia) to win together. Our target portfolio weighting by business model and by geographical region is as follows: based on our assessment of the prospects of the country; the kind of wide-moat businesses that we like; and the prevalence of these potential compounders listed in the respective countries and regions:

Business Model	Weight
Wide-moat companies – Stalwarts	30-40%
Wide-moat companies – Fast-growers	30-40%
Asset plays & dividend-yield businesses	10%
Cash	10-30%

Country	Weight
Australia and New Zealand	30-40%
India	20-30%
Greater China (HK, Taiwan)	10-20%
ASEAN1 – Thailand, Philippines, Vietnam	15%
ASEAN2 – Singapore, Malaysia	5%
Japan and Korea	10%

We Are Cognisant of the Macroeconomic Risks in the Horizon

Besides the uncertainty surrounding the US Fed rate hike decision, we are cognisant of the following macroeconomic developments and risks that signal potential market dislocations ahead:

- Sharp devaluation of EM / Asian currencies x Highly-geared Asian companies loaded on dollar-based loans = Recipe for disaster for wave of corporate default and profit warnings.
- Fragility of China’s financial sector. The RMB36 billion default of Fanya Metal Exchange, once the world’s biggest rare metals trading platform has been the tip of the iceberg of China’s bad debt problems. On 13 Oct 2015, Hebei Financing Investment Guarantee Group, one of China’s largest state-backed guarantors, had failed to honour guarantees on loan defaults by five companies worth RMB227 million and affecting 660 investors in high-yielding Global Wealth products. Financial news agency Caixin said the amount owed to Global Wealth by the guarantor is now RMB620 million. A disgruntled Chinese investor has stabbed the chief executive of this Hebei guarantor, the latest sign of escalating

tension in the country's financial system amid rising defaults. CLSA uncovered on 13 Oct 2015 that a quarter of Chinese firms with debt are unable to cover their annual interest expense currently. According to CLSA estimates, Chinese banks' bad debts ratio could be as high as 8.1%, a whopping 6 times higher than the official 1.5% NPL level reported by China's banking regulator. With total Chinese bank assets at roughly US\$30 trillion, if one very conservatively assumes that loans are about half of the total asset base (realistically 60-70%), and applies an 8% non-performing loan to this number instead of the official 1.5% non-performing loan estimate, the capital shortfall is a staggering US\$1 trillion, amounting to 10% of China's GDP. In early Oct, it is reported that emerging markets are set for the first annual net capital outflow in 27 years since 1988. Investors are estimated to pull US\$540 billion from developing markets in 2015, led by China.

- Demise of petrodollar flows into equities and the capital markets. According to Financial Times on 28 Sep 2015, Saudi Arabia has pulled out US\$50-70 billion of funds over the past six months. In addition, as Norway announced on 6 Oct 2015 that it experienced the first negative global petrodollar export balance in 18 years, resulting in the world's largest sovereign wealth fund being forced to liquidate assets.
- Commodities bust and its impact on the financial sector, led by Glencore. When Aussie mining giant Pasminco went bankrupt in 2001 with debts of over US\$1 billion, it posed systemic risk to both the commodities sector and Aussie banks with huge exposure to Pasminco's debt. According to

market estimates, Glencore is at least 50-100 times bigger at US\$50-100 billion, with counterparty risks in derivatives liabilities and debt.

- Internet sector correction led by the collapse of Alibaba below its IPO price and the cooling of VC investment environment has taken its toll on startups.
- Harvard University endowment fund warns of market "froth" in Sep 2015 and is looking to allocate funds into investment managers with expertise as short-sellers.

More Actionable Stock Ideas than Funds - Allocating Capital Thoughtfully In Our "Watchlist"

"Float like a butterfly, sting like a bee" is the catchphrase that epitomises the highly unconventional boxing style of the legendary world-class boxer Muhammad Ali. Never an overpowering puncher, Ali relied early in his career on his superior hand speed, superb reflexes and constant movement, dancing and circling opponents for most of the fight, holding his hands low and lashing out with a quick, cutting left jab that he threw from unpredictable angles. His footwork was so strong that it was extremely difficult for opponents to cut down the ring and corner Ali against the ropes.

We have been following closely a number of entrepreneurs building their enterprises in Asia over the years, observing up close their struggles and their breakthroughs, compiling the progress of their corporate lifecycle dynamics by "Stage 1", "Stage 2" and "Stage 3" in our "Watchlist":

Corporate Lifecycle Stage	Valuation Dynamics	Business Model % Weight in Portfolio
Stage 1: Emerging growth industry companies started by wide-moat innovator	At several points in time, the financial market holds back in according a proper price on the company, as the company grew in market cap too fast despite the strong fundamentals and growth; market panics and PEG falls	Wide-moat companies – Fast-growers: 30-40%
Stage 2: Rides the rising tide, niche potential transforms to mass market scalability	As company continues to deliver, there is positive re-appraisal of the company and PE re-rating; PEG climbs back up again	
Stage 3: Milks the cow and consolidator	PEG remains relatively steady as company "milks the cow" for cash flow – or company gets complacent with size and falters	Wide-moat companies – Stalwarts: 30-40%
Stage 4: Dominance/ Legacy/ Built-to-Last	Growth slows down, but PEG climbed due to "dominance" or "winners-take-most" factor, resulting in steady market cap	Asset plays and dividend-yield businesses: 10%

To lower our risk that comes from investing in new stock ideas, we float around like butterflies in our “Watchlist”, obsessively gathering relevant information about the business model dynamics, value creation levers and critical success factors, management and corporate governance quality.

Before we sting like a bee to jab in a stock inclusion, to guard against the risk of confirmation bias, we insist on every investment team member to voice out and write down their “Top 3 Dislikes” about the company – and we make a critical and calculated evaluation on whether the positives still overwhelm these “dislikes”.

We are honoured and grateful to be able to have the opportunity to share our thoughts and to have a sincere and productive conversation on 23 September 2015 with the top management team of the Monetary Authority of Singapore (MAS) – Mr. Paul Yuen, Head of Market Conduct; Ms. Gillian Tan, Head of Enforcement Division; Ms. Lee King See, Director (Enforcement & Investigations); Mr. Ang Eng Seng, Deputy Director; Mr. Eric Chia, Deputy Director; and the team at the Secondary Markets & Enforcement Division - about implementing a world’s first fact-based forward-looking fraud detection framework to bring about benefits for the capital markets in Singapore and for the public and investment community.

Accounting information can be used to inform – or to deceive. We believe strongly that this potential fintech platform that combines accounting data, especially footnotes, with a wide array of contextual information - including unusual related-party transactions; money-go-round off balance-sheet activities; governance, group structure and ownership analysis; textual and linguistic analysis; analysis of event-based “catalysts” (information-based manipulation) and sensitive market announcements (action-based manipulation in prices and volume) - will provide fresh insights and actionable, dynamic, inter-connected analytical information, as opposed to merely descriptive static data or a loose bag of disparate red flags, on Singapore and Asian companies, for the regulator and the public.

Sting like a Bee When There is Informational and Temperament Edge and Valuation Odds in Favour

We have deployed some of our funds in several new wide-moat companies in our “Watchlist” after the portfolio restructuring, and we are targeting concentrated portfolio bets in two companies with dominant market leadership in their respective fields

and are on the verge of strong quality core earnings trajectory in the next 12-18 months. Another new stock inclusion is a key crown jewel asset of an Asian tycoon after the restructuring of his family business empire and has potential for index inclusion and importantly, is a powerful consolidator in its domain with a proven track record in execution.

Currently, we have the problem of having more actionable stock ideas than funds to fully execute our investment process to deliver potentially greater returns to our shareholders.

We are confident that distinct efforts to master the investment formula in identifying the right stock, and investing with conviction in the right amount when we have a commitment and informational edge in the assessment of how that business would perform in the decades ahead, and when the valuation odds are in our favour, would overcome these macroeconomic headwinds and generate sustained investment performance.

Caring is an exacting, serious and demanding business, especially when it comes to investing in another person’s financial assets, which are a tangible product of his or her life’s work, a repository of aspirations for the future. We do not believe in painting rosy pictures or beautifying ourselves. We tell cold, hard truths – with a warm and devoted heart. We hope this will capture the 8IH investment philosophy of entrepreneurs investing in entrepreneurs. We are of the conviction that the future is created one wide-moat innovator at a time and each will flourish from their own wisdom. If you also share in our values and investment process, and support our conscious efforts to promote entrepreneurialism in Asia, we invite you to join us in this uplifting journey to participate in the compounding returns in overlooked and underappreciated wide-moat innovators – and to make a positive difference to society.

Disclaimer

The material contained in this article is a presentation of general information about the 8IH’s investment activities current as at the date of this presentation (30 October 2015). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the 8IH including any of its related bodies corporate.

Statement by Directors

On behalf of the Board of Directors, we, Chee Kuan Tat, Ken and Clive Tan Che Koon, being two of the directors of 8I Holdings Limited, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the accompany interim finance information for the six months ended 30 September 2015 to be false or misleading.

On behalf of the board of directors,



Mr Chee Kuan Tat, Ken
Director



Mr Clive Tan Che Koon
Director

Singapore,
30 October 2015

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

Introduction

We have reviewed the accompanying interim financial information of 8I Holdings Limited and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 September 2015, the consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows for the six months period then ended, selected notes comprising a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 38.

Management is responsible for the preparation and fair presentation of these interim financial information in accordance with Singapore Financial Reporting Standard FRS 34, Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not presented fairly, in all material respects, the financial position of the Group as at 30 September 2015, and of its financial performance and its cash flows for the six-month period then ended in accordance with FRS 34.



KONG, LIM & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore, 30 October 2015



GLOBAL PRESENCE-LOCAL EXCELLENCE
Associated worldwide with JHI



Interim Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2015

	Notes	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Revenue	4	12,199,303	1,913,605
Other income	4	9,544,114	21,384
Other items of expense			
Administrative expenses		(1,934,141)	(811,722)
Other operating expenses		(2,266,840)	(792,173)
Finance costs		(30,505)	-
Share of results of associates		(526,904)	-
Profit before tax		16,985,027	331,094
Income tax expense	5	(1,682,425)	-
Profit for the period		15,302,602	331,094
Other comprehensive income:			
Net fair value (loss)/gain on re-measurement of financial assets available for sale		(106,660)	-
Foreign currency translation		(29,054)	-
Other comprehensive (loss)/income for the period, net of tax		(135,714)	-
Total comprehensive income for the period		15,116,888	331,094
Attributable to:			
Owners of the Company		14,873,681	331,094
Non-controlling interest		293,207	-
Total comprehensive income for the period		15,116,888	331,094
Earnings per share (cents per share)			
Basic	6	4.20	0.15
Diluted	6	4.20	0.15

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	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Assets			
Current Assets			
Cash and cash equivalents		23,872,153	21,656,807
Trade and other receivables	7	12,548,974	2,030,660
Prepaid operating expenses		225,313	411,814
Investment securities	8	7,391,389	12,091,307
		<u>44,037,829</u>	<u>36,190,588</u>
Non-current Assets			
Plant and equipment	9	248,021	214,052
Investment properties	10	208,667	208,667
Intangible assets	11	3,138,751	1,901,072
Investment in associates	12	160,280	959,696
Investment securities	8	10,342,124	814,201
		<u>14,097,843</u>	<u>4,097,688</u>
Total Assets		<u>58,135,672</u>	<u>40,288,276</u>
Liabilities			
Current Liabilities			
Trade and other payables	13	4,853,244	954,017
Hire purchase	13	22,477	22,477
Income tax payable		2,075,026	797,853
Unearned revenue	14	3,022,429	1,920,801
		<u>9,973,176</u>	<u>3,695,148</u>
Non-current Liabilities			
Deferred tax liabilities		23,332	41,331
Hire purchase	13	33,609	41,688
		<u>56,941</u>	<u>83,019</u>
Total Liabilities		<u>10,030,117</u>	<u>3,778,167</u>
Net Assets		<u>48,105,555</u>	<u>36,510,109</u>
Equity			
Equity attributable to owners of the Company			
Share capital	15	30,983,691	30,983,691
Retained earnings		16,229,644	4,791,691
Other reserves	16	(79,731)	55,983
		<u>47,133,604</u>	<u>35,831,365</u>
Non-controlling interests		971,951	678,744
Total Equity		<u>48,105,555</u>	<u>36,510,109</u>

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

Interim Consolidated Statement of Changes in Equity

As at 30 September 2015

	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\$	Other reserves			
						Fair value reserve S\$	Translation reserve S\$		
Opening balance at 17.5.2014 (date of incorporation)		116	116	116	-	-	-	-	-
Profit for the period		331,094	331,094	-	331,094	-	-	-	-
Total comprehensive income for the period		331,094	331,094	-	331,094	-	-	-	-
<u>Contributions by and distributions to owners</u>									
Issuance of shares	15	6,769,837	6,769,837	6,769,837	-	-	-	-	-
Conversion of related party loans to shares	15	670,440	670,440	670,440	-	-	-	-	-
Conversion of third party loans to shares	15	5,216,977	5,216,977	5,216,977	-	-	-	-	-
Total transactions with owners in their capacity as owners		12,657,254	12,657,254	12,657,254	-	-	-	-	-
Closing balance at 30.9.2014		12,988,464	12,988,464	12,657,370	331,094	-	-	-	-

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

Interim Consolidated Statement of Changes in Equity

As at 30 September 2015

	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\$	Other reserves			
						Fair value reserve S\$	Translation reserve S\$		
Opening balance at 31.3.2015		36,510,109	35,831,365	30,983,691	4,791,691	55,983	-	678,744	
Profit for the period		15,302,602	15,009,395	-	15,009,395	-	-	293,207	
Other comprehensive income									
Net fair value loss on re-measurement of financial assets available for sale		(106,660)	(106,660)	-	-	(106,660)	-	-	
Foreign currency translation		(29,054)	(29,054)	-	-	-	(29,054)	-	
Other comprehensive income for the period, net of tax		(135,714)	(135,714)	-	-	(106,660)	(29,054)	-	
Total comprehensive income for the period		15,116,888	14,873,681	-	15,009,395	(106,660)	(29,054)	293,207	
Contributions by and distributions to owners									
Dividends on ordinary shares	21	(3,571,442)	(3,571,442)	-	(3,571,442)	-	-	-	
Total transactions with owners in their capacity as owners		(3,571,442)	(3,571,442)	-	(3,571,442)	-	-	-	
Closing balance at 30.9.2015		48,105,555	47,133,604	30,983,691	16,229,644	(50,677)	(29,054)	971,951	

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

Interim Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Notes	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Operating activities			
Profit before income tax		16,985,027	331,094
Adjustments for:			
Gain on disposal of an associate		(9,442,476)	-
Gain on re-measurement of investment retained in former associate to fair value after partial disposal		(9,156,519)	-
Net fair value loss/(gain) on held-for-trading investment securities		1,369,316	(322,923)
Net loss on disposal of held-for-trading investment securities		998,530	95,240
Gain from bargain purchase	4	(48,503)	(17,769)
Dividend income from available-for-sale investment securities		(18,794)	(12,996)
Interest income	4	(316,029)	(3,615)
Depreciation of plant and equipment		81,389	36,274
Finance costs		30,505	-
Share of results of associates		526,904	-
Unrealised exchange gain		(21,997)	-
Total adjustments		(15,997,674)	(225,789)
Operating cash flows before changes in working capital		987,353	105,305
Changes in working capital:			
Prepaid operating expenses		194,934	(14,840)
Trade and other receivables		(2,709,872)	226,410
Investment securities (current)		2,332,072	(718,620)
Unearned revenue		1,101,628	169,291
Trade and other payables		(122,300)	(143,536)
Total changes in working capital		796,462	(481,295)
Cash flows from/(used in) operations		1,783,815	(375,990)
Interest received		26,341	3,615
Interest paid		(30,505)	-
Income taxes paid		(423,251)	(189,359)
Net cash flows generated from/(used in) operating activities		1,356,400	(561,734)
Investing activities			
Acquisition of subsidiaries by cash, net of cash acquired		(1,970,416)	(4,779,957)
Acquisition of subsidiaries by shares swap, net of cash acquired		-	4,825,565
Incorporation of an associate		(18,000)	-
Proceeds from sale of shares in an associate		10,000,000	-
Loans to associates		(3,553,750)	-
Dividend income from available-for-sale investment securities		18,794	12,996
Purchase of plant and equipment		(78,817)	-
Purchase of investment securities		-	(5,324,758)
Sale of available-for-sale investment securities		32,577	16,023
Net cash flows from investing activities		4,430,388	74,627
Financing activities			
Dividend paid		(3,571,442)	-
Issuance of shares		-	6,769,837
Net cash flows (used in)/from financing activities		(3,571,442)	6,769,837
Net increase in cash and cash equivalents		2,215,346	6,282,730
Cash and cash equivalents at the beginning of the period		21,656,807	116
Cash and cash equivalents at the end of the period		23,872,153	6,282,846

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 31 March 2015 to 30 September 2015

1. Corporate information

8I Holdings Limited (Registration No. 201414213R) (the "Company") is a limited liability company incorporated and domiciled in Singapore with its registered office and principal place of business of the Company is located at Goldbell Towers, 47 Scotts Road, #03-03/04, Singapore 228233. The Company is listed on the Australian Securities Exchange (ASX).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ operation	Principal activities	Effective interest held	
			30.9.2015	31.3.2015
<i>Held by the Company:</i>				
8 Investment Pte. Ltd.	Singapore	Investment dealings and management consultancy service	100%	100%
8 Capital Pte. Ltd.	Singapore	Investment trading	100%	100%
8 Business Pte. Ltd.	Singapore	Private equity investment	100%	100%
8 Education Pte. Ltd.	Singapore	Seminars and programs organiser	100%	100%
8 Property Pte. Ltd.	Singapore	Seminars and programs organiser	100%	100%
8 Property PLS Pte. Ltd.	Singapore	Property and management consultancy service	100%	100%
8 Media Pte. Ltd.	Singapore	Seminars and programs organiser	100%	100%
<i>Held through 8 Investment Pte. Ltd.:</i>				
Oxford Views Pte. Ltd.	Singapore	Property and management consultancy services	100%	-
Fusion 462 Pte. Ltd.	Singapore	Property and management consultancy services	100%	-
Vue at Red Hill Pte. Ltd.	Singapore	Property and management consultancy services	100%	-
<i>Held through Vue at Red Hill Pte. Ltd.:</i>				
Oxford Views Pty Ltd	Australia	Property investment	100%	-
<i>Held through 8 Education Pte. Ltd.:</i>				
8IH China Pte. Ltd.*	Singapore	Business and management consultancy services	100%	-
8 Education Sdn Bhd	Malaysia	Seminars and programs organiser	100%	-
<i>Held through 8 Business Pte. Ltd.:</i>				
Hemus Pacific Private Limited	Singapore	Event organiser	51%	51%

* Incorporated on 19 July 2015

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

1. Corporate information (continued)

Acquisition of Oxford Views Pte. Ltd., Fusion 462 Pte. Ltd. and Vue at Red Hill Pte. Ltd.

On 30 June 2015 (the acquisition date), the Group acquired 100% equity interest in Oxford Views Pte. Ltd., Fusion 462 Pte. Ltd. and Vue at Red Hill Pte. Ltd. (the "Velocity Group") for a consideration of A\$2,329,207. The Velocity Group together owns 100% of Oxford Views Pty Ltd and 49.9% of Velocity Holdings Pty Ltd and its subsidiaries. Velocity Group is a vibrant, young boutique property developer that specialises in cosmopolitan developments throughout South-East Queensland, Australia.

The acquisition of the Velocity Group is in line with the Company's Value Investment strategy of investing in growth opportunities while allowing existing management to run the day to day operations. This acquisition will allow the Company to invest directly in property development in Australia and to acquire high quality real estate assets to hold and lease to generate rental revenue.

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

	Fair value recognised on acquisition S\$
Investment in associates	807,652
Trade and other receivables	1,069,332
Loans to associates	4,795,398
Cash and cash equivalents	52,839
	<u>6,725,221</u>
Trade and other payables	(3,832,000)
Loan from ultimate holding company	(1,708,525)
	<u>(5,540,525)</u>
Total identifiable net assets at fair value	1,184,696
Goodwill arising from acquisition	1,237,679
	<u>2,422,375</u>
<u>Consideration transferred for the acquisition of the Velocity Group</u>	
Cash paid, representing the total consideration transferred	<u>2,422,375</u>
<u>Effect of the acquisition of Velocity Group on cash flows</u>	
Total consideration for 100% equity interest acquired settled in cash	2,422,375
Less: Cash and cash equivalents of subsidiaries acquired	(52,839)
Net cash outflow on acquisition	<u>2,369,536</u>

Trade and other receivables acquired

Trade and other receivables acquired with fair value of S\$1,069,332 is expected to be collected.

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

1. Corporate information (continued)

Acquisition of Oxford Views Pte. Ltd., Fusion 462 Pte. Ltd. and Vue at Red Hill Pte. Ltd. (continued)

Loans to associates

Loans to associates of S\$4,795,398 are secured by associates' assets, bear interest of 12.68% to 20.00% per annum, repayable upon demand and are to be settled in cash.

Goodwill arising from acquisition

The goodwill of S\$1,237,678 comprises the value of providing the Group with access to property development in Australia. 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, the immediate subsidiaries have contributed S\$374,931 of revenue and (S\$395,317) to the Group's profit after tax for the financial period. If the business combination had taken place on 1 April 2015, the Group's revenue would have been S\$12,900,000 and the Group's profit, net of tax would have been S\$14,500,000.

Acquisition of 8 Education Sdn Bhd

On 3 July 2015 (the acquisition date), the Company's subsidiary, 8 Education Pte. Ltd., acquired 100% equity interest in 8 Education Sdn Bhd Limited (the "8E Malaysia") for a consideration of S\$126,618, as part of the Company's regional expansion plans.

8E Malaysia operates as an events management consultant and provides financial education and training seminars in major cities across Malaysia since 2011. The acquisition of 8E Malaysia is in line with the Company's Value Investment strategy of investing in growth opportunities in the education market.

The fair value of the identifiable assets and liabilities of 8E Malaysia as at the acquisition date were:

	Fair value recognised on acquisition S\$
Plant and equipment	43,598
Investment securities	53,385
Prepaid operating expenses	8,433
Trade and other receivables	98,278
Cash and cash equivalents	525,738
	<hr/> 729,432
Unearned revenue	(114,013)
Trade and other payables	(812,648)
	<hr/> (554,311)

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

1. Corporate information (continued)

Acquisition of 8 Education Sdn Bhd (continued)

	Fair value recognised on acquisition S\$
Total identifiable net assets at fair value	175,121
Gain from bargain purchase	(48,503)
	<u>126,618</u>
<u>Consideration transferred for the acquisition of the 8E Malaysia</u>	
Cash paid, representing the total consideration transferred	<u>126,618</u>
<u>Effect of the acquisition of Velocity Group on cash flows</u>	
Total consideration for 100% equity interest acquired settled in cash	126,618
Less: Cash and cash equivalents of subsidiaries acquired	(525,738)
Net cash inflow on acquisition	<u>(399,120)</u>

Trade and other receivables acquired

Trade and other receivables acquired with fair value of S\$98,278 is expected to be collected.

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.

Gain from bargain purchase

A gain from bargain purchase of S\$48,503 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, 8E Malaysia has contributed S\$271,860 of revenue and S\$133,335 to the Group's profit after tax for the financial period. If the business combination had taken place on 1 April 2015, the revenue from operations would have been S\$12,700,000 and the Group's profit from operations, net of tax would have been S\$15,600,000.

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

2. Basis of preparation and changes in accounting policies

The interim financial information for the six months ended 30 September 2015 has been prepared in accordance with FRS 34, Interim Financial Reporting.

The interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2015.

The interim financial information has been prepared under the historical cost basis except as disclosed in the accounting policies below.

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

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 March 2015, except for the adoption of new standards and interpretations effective as of 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The standards, interpretation and amendments to FRS that were issued but not effective as of 1 April 2015 are not expected to have a material impact on the financial performance or position of the Group in the period of their initial adoption.

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 10 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 30 September 2015 was S\$248,021 (31 March 2015: S\$214,052).

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

3. Significant accounting judgments and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

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\$12,548,974 (31 March 2015: S\$2,030,660).

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 19.

The carrying amount of the unquoted available-for-sale financial assets as at 30 September 2015 is S\$9,711,039 (31 March 2015: S\$43,879).

4. Revenue and other income

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Revenue		
Fair value (loss)/gain on held-for-trading investment securities	(1,369,316)	322,923
Loss on sale of held-for-trading investment securities	(998,530)	(95,240)
Dividend income	236,173	139,066
Gain from sale of an associate's shares	9,442,476	-
Event site rental and event organisation income	1,970,349	-
Program sales	2,705,292	1,518,706
Property rental	212,859	28,150
	<u>12,199,303</u>	<u>1,913,605</u>

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

4. Revenue and other income (continued)

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Other income		
Gain on re-measurement of investment retained in former associate to fair value after partial disposal	9,156,519	-
Interest income	316,029	3,615
Gain from bargain purchase	48,503	17,769
Others	23,063	-
	<u>9,544,114</u>	<u>21,384</u>
 Total revenue and other income	 <u>21,743,417</u>	 <u>1,934,989</u>

During the financial period, the Group disposed part of its interest in an associate resulting in the loss of significant influence in the associate. Accordingly, the investment retained in the former associate is re-classified as available-for-sale investment securities and re-measured at fair value, as required by the Financial Reporting Standard, resulting in a fair value gain of S\$9,156,519.

5. Income tax expense

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Consolidated statement of comprehensive income:		
Current income tax, representing the income tax expense recognised in the income statement	<u>1,682,425</u>	<u>-</u>

6. Earnings per share

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

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

6. Earnings per share (continued)

The following table reflects the profit and share data used in the computation of basic earnings per share for the period ended 30 September:

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Profit, net of tax, attributable to owners of the Company used in the computation of basic earnings per share	15,009,395	331,094
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation	357,144,200	227,873,199

7. Trade and other receivables

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Trade receivables	1,551,854	683,585
Deposits	479,537	376,581
Banker's guarantee	190,000	190,000
Loans to associates	9,338,286	-
Amounts due from associate	-	125,000
Amounts due from affiliated companies (non-trade)	484,693	502,478
Other receivables (non-trade)	504,604	153,016
	12,548,974	2,030,660

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.

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

- Loans to associates bear interest of 12.68% to 20.00% per annum and are to be settled in cash. An amount of S\$6,553,429 of the loans to associates are secured by associates' assets. Loans to associates are repayable on demand except for S\$2,784,857 which is payable within one year.
- 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 31 March 2015 to 30 September 2015

8. Investment securities

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Current:		
<i>Held-for-trading investments</i>		
Equity securities (quoted)	7,391,389	12,091,307
Non-current:		
<i>Available-for-sale financial assets</i>		
Equity securities (quoted)	631,085	770,322
Shares (unquoted)	9,711,039	43,879
	10,342,124	814,201

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 30 September 2015.

9. Plant and equipment

	Office Equipment S\$	Furniture and Fittings S\$	Motor Vehicle S\$	Total S\$
Group				
Cost				
At 31.3.2015	76,577	143,012	95,800	315,389
Addition from acquisition of subsidiary	12,983	30,615	-	43,598
Additions	57,840	20,977	-	78,817
Exchange differences	(1,291)	(5,891)	-	(7,182)
At 30.9.2015	146,109	188,713	95,800	430,622
Accumulated Depreciation				
At 31.3.2015	55,670	40,877	4,790	101,337
Charge for the period	37,588	34,221	9,580	81,389
Exchange differences	(62)	(63)	-	(125)
At 30.9.2015	93,196	75,035	14,370	182,601
Net Carrying Amount				
At 30.9.2015	52,913	113,678	81,430	248,021
At 31.3.2015	20,907	102,135	91,010	214,052

The carrying amount of motor vehicle under hire purchase at the end of the reporting period was S\$81,430 (31 March 2015: S\$91,010).

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

10. Investment properties

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Investment properties as at beginning and end of the financial period	208,667	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 30 September 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

11. Intangible assets

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Goodwill on acquisition		
At beginning of the financial period	1,901,072	-
Addition from acquisition of subsidiaries	1,237,679	3,441,621
Disposal of a subsidiary	-	(1,540,549)
At end of the financial period	3,138,751	1,901,072

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to two cash-generating units (CGU), which are also the reportable operating segments, for impairment testing as follows:

- Education and event segment
- Property segment

The carrying amounts of goodwill allocated to each CGU are as follows:

	Education & event segment		Property segment		Total	
	30.9.2015 S\$	31.3.2015 S\$ (Audited)	30.9.2015 S\$	31.3.2015 S\$ (Audited)	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Goodwill	1,901,072	1,901,072	1,237,679	-	3,138,751	1,901,072

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

12. Investment in associates

The Group's investments in associates are summarized below:

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Velocity Holdings Pty Ltd	142,280	-
Singapore Fuller International Holding Group Pte. Ltd.	18,000	-
CPA Academy Pte. Ltd.	-	959,696
	<u>160,280</u>	<u>959,696</u>

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			30.9.2015	31.3.2015
<i>Held through subsidiaries:</i>				
Velocity Holdings Pty Ltd	Australia	Property developer	49.9%*	-
Singapore Fuller International Holding Group Pte. Ltd.	Singapore	Business and management consultancy services	33.3%	-
CPA Academy Pte. Ltd. ⁱ	Singapore	IT business and seminars organiser	-**	31%

ⁱ Audited by KONG, LIM & PARTNERS LLP, Public Accountants and Chartered Accountants, Singapore.

* The Group has significant influence on Velocity Holdings Pty Ltd but does not have control over the business of the associate.

** The Group swapped all of its interest in CPA Academy Pte. Ltd. for shares in Digimatic Group Limited and subsequently disposed part of its interest in Digimatic Group Ltd resulting in the loss of significant influence in the associate. Accordingly, the investment retained in the former associate is re-classified as available-for-sale financial assets (Note 8).

The activities of the associates are strategic to the Group activities.

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

13. Trade and other payables

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Trade payables	193,165	53,894
Accrued operating expenses	303,543	342,096
Deposits received	132,086	183,876
GST payable	128,470	149,393
Amounts due to third parties	3,720,000	-
Amounts due to related parties (non-trade)	-	181,342
Other payables	375,980	43,416
Trade and other payables	4,853,244	954,017
Hire purchase	56,086	64,165
Total trade and other payables, representing financial liabilities carried at amortised cost	4,909,330	1,018,182

Trade and other payables

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

Amounts due to third parties

These amounts are unsecured, with profit sharing upon completion of property developments except for an amount of S\$610,000 which bears an interest of 12.68% per annum. These amounts are repayable within the next 12 months and are to be settled in cash.

Hire purchase

This amount is secured by a charge over the leased asset (Note 9). The effective interest of the lease is 2.28% per annum. This hire purchase is denominated in Singapore Dollars.

14. 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. During the financial period, the Group acquired 8 Education Sdn Bhd and consolidated its unearned revenue of S\$484,660.

15. Share capital

	30.9.2015		31.3.2015	
	No. of shares	S\$	No. of shares	S\$
Issued and fully paid ordinary shares				
Opening balance	357,144,200	30,983,691	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)
Closing balance	357,144,200	30,983,691	357,144,200	30,983,691

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

15. Share capital (continued)

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.

16. Other reserves

a) 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.

b) Foreign currency translation reserve

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

17. 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:

	30.9.2015	17.5.2014 (date of incorporation) to 30.9.2014
	S\$	S\$
Professional fees paid to an affiliated company ¹	30,673	-
Consultation income from associates	47,924	-
Interest income from associates	150,000	-
Sale of course materials to an affiliated company ²	26,628	88,137

Note:

- The professional fees are paid to SmallCap Corporate Pty Ltd, a company which Mr Zane Robert Lewis has a significant interest, for company secretary services performed during the financial period.
- 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 31 March 2015 to 30 September 2015

17. Related parties transactions (continued)

b) Compensation of key management personnel

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Salaries, bonuses and fees	417,752	423,341
Central Provident Fund contributions	21,420	17,930
	<u>439,172</u>	<u>441,271</u>
<i>Comprise amounts paid to:</i>		
Directors of the Company	280,200	335,388
Other key management personnel	158,972	105,883
	<u>439,172</u>	<u>441,271</u>

18. 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\$1,112,287 (30 September 2014: S\$104,361).

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

	30.9.2015 S\$	31.3.2015 S\$ (Audited)
Not later than one year	1,375,000	1,368,000
Later than one year but not later than five years	519,000	247,000
	<u>1,894,000</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.

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

19. 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.

b) Financial instruments measured at fair value

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

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	S\$ (Unaudited)	S\$ (Unaudited)	S\$ (Unaudited)	S\$ (Unaudited)
As at 30.9.2015				
Assets measured at fair value				
Financial assets:				
<u>Held-for-trading investments</u>				
Quoted equity securities	7,391,389	-	-	7,391,389
<u>Available-for-sale financial assets</u>				
Quoted equity securities	631,085	-	-	631,085
Unquoted equity securities	-	-	9,711,039	9,711,039
	8,022,474	-	9,711,039	17,733,513
Non-financial assets:				
<u>Investment properties</u>				
Commercial	-	-	148,667	148,667
Residential	-	-	60,000	60,000
	-	-	208,667	208,667

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 31 March 2015 to 30 September 2015

20. 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 private equity segment (previously known as 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 31 March 2015 to 30 September 2015

20. Segment information (continued)

	Investment		Private Equity		Education and event		Property		Adjustments and eliminations		Notes	Per consolidated financial statements	
	30.9.2015 S\$	17.5.2014 to 30.9.2014 S\$	30.9.2015 S\$	17.5.2014 to 30.9.2014 S\$	30.9.2015 S\$	17.5.2014 to 30.9.2014 S\$	30.9.2015 S\$	17.5.2014 to 30.9.2014 S\$	30.9.2015 S\$	17.5.2014 to 30.9.2014 S\$		30.9.2015 S\$	17.5.2014 to 30.9.2014 S\$
Revenue													
External customers*	(2,131,673)	369,619	9,420,321	-	4,697,796	1,515,836	212,859	28,150	-	-	A	12,199,303	1,913,605
Inter-segment	-	107,916	289,499	-	-	-	515,586	119,473	(805,085)	(227,389)		-	-
Total revenue	(2,131,673)	477,535	9,709,820	-	4,697,796	1,515,836	728,445	147,623	(805,085)	(227,389)		12,199,303	1,913,605
Results:													
Gain on disposal of an associate	-	-	9,442,476	-	-	-	-	-	-	-		9,442,476	-
Gain on re-measurement of investment	-	-	9,156,519	-	-	-	-	-	-	-		9,156,519	-
Interest income	14,791	3,233	157,656	382	3,893	-	139,689	-	-	-		316,029	3,615
Dividend income	236,173	139,066	-	-	-	-	-	-	-	-		236,173	139,066
Depreciation	12,333	6,424	-	-	45,688	16,092	23,388	13,758	-	-		81,389	36,274
Share of results of associates	-	-	-	-	138,468	-	(665,372)	-	-	-		(526,904)	-
Segment profit/(loss)	(2,451,057)	245,311	18,231,827	(347,213)	1,745,524	426,719	(510,762)	6,277	(30,505)	-	B	16,985,027	331,094
Assets:													
Investment in associates	-	-	-	959,696	-	-	160,280	-	-	-		160,280	959,696
Additions / (deduction) to non-current assets	(194,036)	895,707	9,208,775	1,824,573	240,063	148,297	789,231	269,415	-	-	C	10,044,033	3,137,992
Segment assets	23,048,719	22,075,127	21,828,821	10,755,751	7,436,860	5,997,938	5,660,992	499,764	160,280	959,696	D	58,135,672	40,288,276
Liabilities													
Segment liabilities	61,097	93,263	375,425	42,440	3,658,778	2,793,959	3,836,459	9,321	2,098,358	839,184	E	10,030,117	3,778,167

* Revenue from investment segment mostly pertained to fair value gain/(loss) and dividend income from investment in equity security.

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

20. Segment information (continued)

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:

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Finance costs	(30,505)	-

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:

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Investment in associate	160,280	959,696

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

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Deferred tax liabilities	23,332	41,331
Income tax payable	2,075,026	797,853
	<u>2,098,358</u>	<u>839,184</u>

Notes to the Financial Statements

For the financial period from 31 March 2015 to 30 September 2015

21. Dividends

	30.9.2015 S\$	17.5.2014 (date of incorporation) to 30.9.2014 S\$
Declared and paid during the six months ended 30 September		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2015: 1.00 (SGD cent) per share (2014: nil)	3,571,442	-

22. Events occurring after the reporting period

Since the end of the financial period, the Directors have resolved to pay an interim dividend of 0.5 Singapore cents per fully paid ordinary share. The proposed dividend is expected to be paid on 1 December 2015 out of retained profits at 30 September 2015, but not recognised as a liability of S\$1,785,721 at the end of the financial period.

23. Comparative figures

The Company was incorporated on 17 May 2014. The comparative figures in the interim consolidated statement of comprehensive income are for the period from 17 May 2014 to 30 September 2014.



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