



FINANCIAL STATEMENTS

For the six months ended 30 September 2022

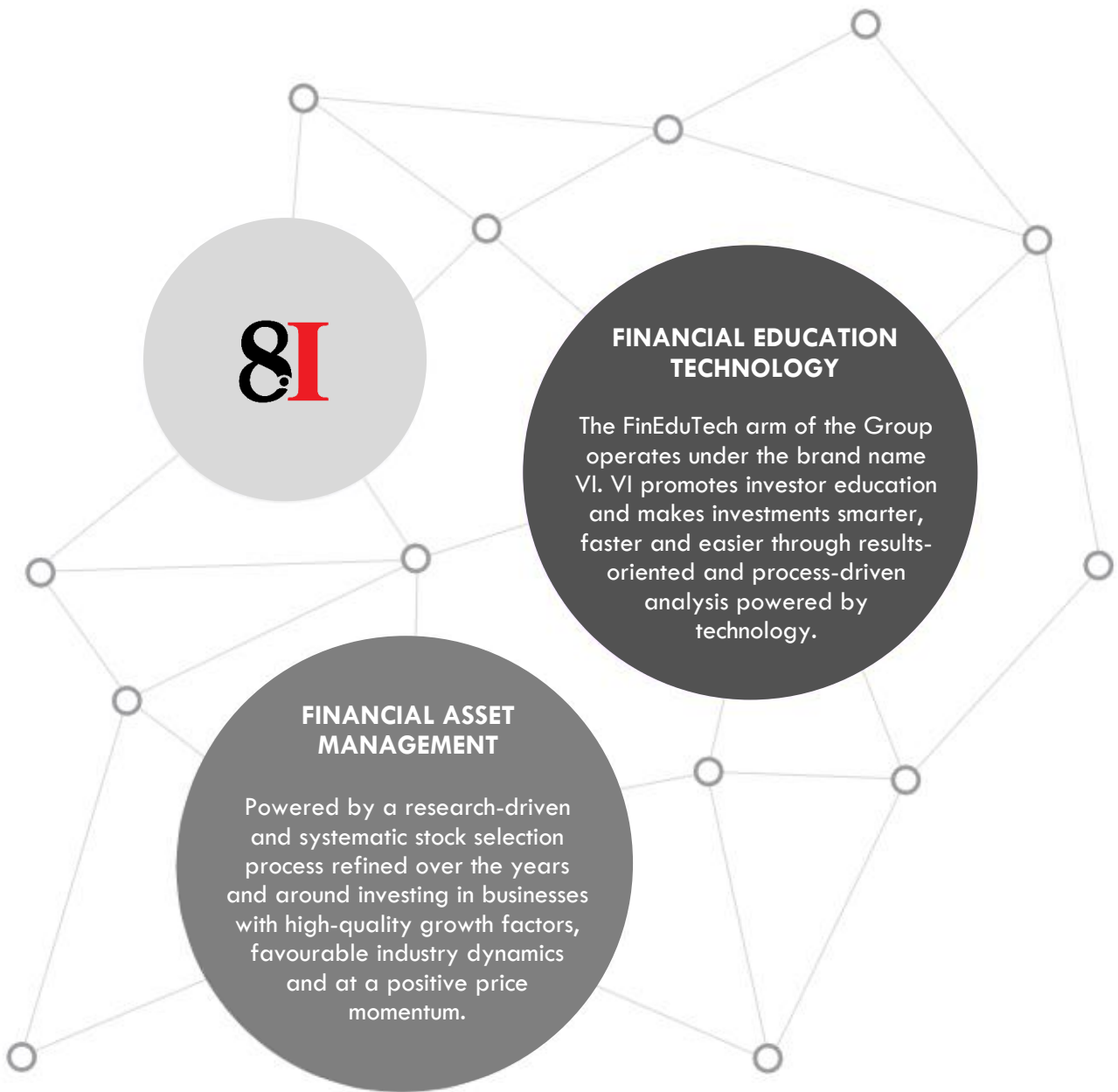
About 8I Holdings Limited

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

Through 8VI Holdings Limited (“8VI”) the Group operates under the VI brand within the FinEduTech space. With offices in Singapore, Malaysia, Taiwan and Shanghai, VI College is the region’s leading Financial Education provider supporting a community of value investors globally. The VI App is a smart stock analysis and screening tool designed to enable users to invest smarter, faster and easier.

Through VI Fund Management Pte Ltd (“VIFM”), the Group operates a registered fund management business in Singapore, investing in public listed equities in the United States and Asia-Pacific region. VIFM’s focused strategy involves a research-driven and systematic stock selection process refined over the years and around investing in businesses with high-quality growth factors, favourable industry dynamics and at a positive price momentum.

8I ECOSYSTEM



At 8I, we continue to strengthen our business ecosystem on a single platform in sharing value investing knowledge and empowering our growing community to make smart investment decisions by applying the principles of value investing.

FINANCIAL AND OPERATIONS REVIEW

For the financial period ended 30 September 2022

Overview

Over the first half of FY2023 (“HY2023”), there has been much focus and attention on inflation surging all around the world. This has been caused by various factors impacting supply and demand of various products and services required for human civilization to function. The US economy is undergoing the highest inflation she has experienced since 1981.

In the previous year, inflation was primarily caused by pandemic-related fiscal and monetary stimulus. For 2022, Russia’s invasion of Ukraine triggered an energy crisis and soaring energy prices, and China’s COVID-zero policy caused general product shortages with global supply chain problems. In a bid to control inflation rates, the Federal Reserve, as well as numerous central banks around the world, hiked interest rates aggressively to control the demand side of the equation, amidst the positive employment markets and high savings rate.

Through rising interest rates, other asset classes’ (from stocks, bonds, cryptocurrency and US property) prices are crashing as investors worldwide reallocate their capital towards the perceived safe haven of the US Dollar.

China’s economy and their stock market have been in a bearish mood since Feb 2021. Back in October, the Shanghai composite index fell below 3,000, a level that was first surpassed 15 years ago. Though it may be hard to imagine, but this reflects the current low-price levels of the Chinese stock markets. While it fundamentally does not make sense and investors focused on value would no doubt be sensing a great opportunity there, it may take lots of patience for the underlying value to materialize. China is not just a typical capitalist society; it has a strong Central Government with a tendency towards socialism or even communism. This makes investing in China more challenging as we need to also be able to assess Government politics and policies accurately, on top of making sure that we are making the right market assessments.

Overall, the difficult macro-economic environment and challenging market conditions has impacted both the fund management and FinEduTech business segment, resulting in dampened performance for 8I Holdings (“8I” or the “Group”) in 2022.

In the first half of HY2023, the Group recorded a revenue of S\$10.2 million as compared to S\$17.6 million in the previous corresponding period (“HY2022”). 8I recorded S\$33.5 million for cash and cash equivalents in HY2023, as compared to S\$24.6 million in HY2022.

Business Segment Report



FinEduTech
– 8VI Holdings Limited

Following the updates from the previous financial year (“FY2022”), the FinEduTech business has made several refinements in its tactical and strategic approach in response to the overall market conditions. While the business enjoyed record industry growth rates at the height of the COVID-19 pandemic, growth rates for the FinEduTech business have normalized gradually as the world returns to normalcy post-pandemic.

While 8VI continues to forge ahead with the sale and subscription of VI App and range of financial education programmes through VI College, conscious effort has been made to redirect and focus primarily in growing new revenue verticals to diversify earnings for both the business segment and the Group. As 8VI undertakes a functional shift in its operations, we expect to see continued short term impact in its earnings.

In the interest of restructuring VI App’s offerings for larger scale adoption, VI App refined its marketing and pricing strategy in July 2022 in line with its Blue Ocean plans. While VI App’s basic Freemium model provides free-to-view information to the public looking for insights into the preliminary user experience, other models like VI Smart and VI Pro offers paying subscribers enhanced features at affordable rates and flexible plans.

8VI is also at a tipping point of its transformation plans, with significant progress being made as it approaches the final stages of licensing applications for its financial and insurance advisory business in both Singapore and Malaysia. We believe that this new business vertical will take us one step closer to becoming a wealth management platform with a range of complementary services supporting our clientele’s financial goals.

For more details on the FinEduTech segment, please refer to the HY2023 Interim Report for 8VI Holdings Limited.

FINANCIAL AND OPERATIONS REVIEW

For the financial period ended 30 September 2022

Business Segment Report (continued)



Financial Asset Management – VI Fund Management

For our investment portfolios, the continuous refinements to our strategy have enabled us to reduce the downside pressure on our asset values. We have placed a higher emphasis on managing the risk, before focusing on achieving the returns. Picking the bottom right at the lowest is a highly improbable game as it happens on a single day and yet a bull run can last for years. Currently, our portfolios' positions have experienced a big allocation to cash (primarily in US Dollars), ranging from 40% to 85% due to the refinement of our strategy. This is the main reason why our portfolios did not suffer such a massive correction compared to the stock markets during the last 3 months. Our cut-loss strategy has also enabled us to reduce our losses when a stock position experienced plenty of downward pressures.

Asset Management Company



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

Funds Currently Open to Accredited Investors



VI Fund Asia
(to be rebranded from HCF Asia)



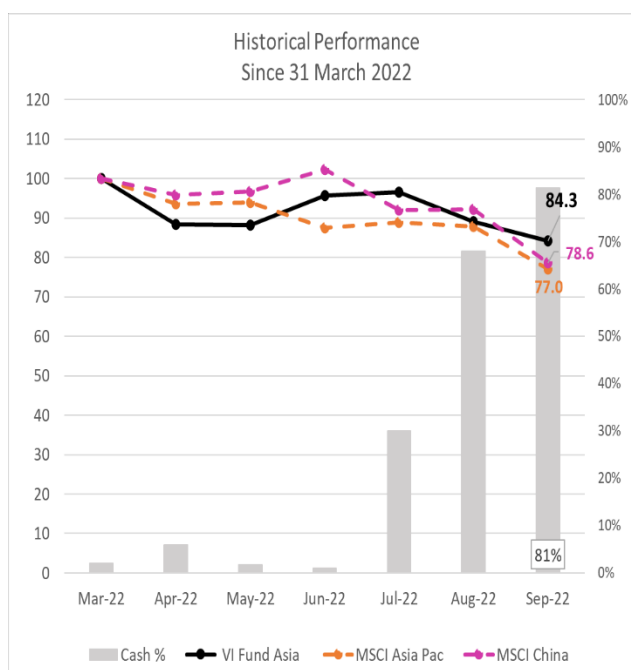
VI Quant US
(8IH VCC VI Quant US sub-fund)

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



VI Fund Asia Summary

For 1HFY2023, the listed securities under VI Fund Asia (FKA as HCF Asia) registered a return of -15.7% for the last six months, against the MSCI Asia Pac of -23.0% and MSCI China of -21.4%.



Our exposure in Asia was primarily focused on China with a small allocation to Australia. The Chinese Government's COVID-zero policy and interference in markets continue to make it difficult for investors. China's role as a vital manufacturer and node in the supply chain have also resulted in significant impact far beyond her shores. The situation is further complicated by the issue of Taiwan and the United States engaging China in a trade war.

When Shanghai announced the end (on 1st June 2022) to its two-month long COVID-19 lockdown, it brought an outpouring of relief and joy from the residents. This sets in place a recovery in China's stock markets. The increased optimism enables us to deploy much more funds into the markets. However, that was proven to be short-lived as COVID breakouts continue to happen in the various provinces. Sticking to China's COVID-zero policy and strategy, the second wave of lockdowns forced factory closures, logistics and supplies, impacting the whole economy and the markets.

FINANCIAL AND OPERATIONS REVIEW

For the financial period ended 30 September 2022

Business Segment Report (continued)

To add fuel to fire, ambient temperatures in July and August are feverish and the shortage of electricity supplies impacted directly the citizenry and the factories, many of which are forced to reduce their operations or even shut down. All the stock gains made since were gone. We made a strategic decision to cut our losses, hence the big allocation to cash.

We expect that these issues are likely to longer on for the short and mid-term. Nevertheless, we must be nimble during these times and while we have our capital on the sidelines, we are prepared to enter the markets once there is clarity and momentum for an upward trend.

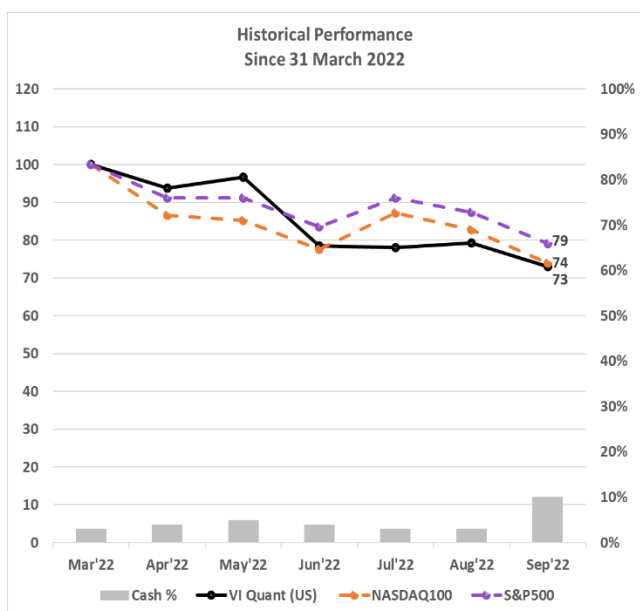
This Momentum factor, combined with our current screening and ranking of the fastest growing companies at a reasonable price, enable the fund to embark on a sector rotation strategy in alignment with the fundamentals, valuation and market sentiments.

Summary

Overall, the markets have been very challenging to navigate for the past 12 months. We are reviewing our initial plans to expand on our fund products and are considering plans to focus our attention on certain markets and streamlining our offerings. More details will be shared in the next 6 months once we gain clarity on the best way to move forward for the asset management segment.

VI Quant US summary

For 1HFY2023, the listed securities under VI Quant US registered a return of -27% for the last six months, against the S&P 500 of -20.8% and NASDAQ of -25.6%.



As part of our constant refinement to our investment process, we have further included “Momentum” [first made famous by financial researchers, Jegedeesh and Titman (1993)] as a factor in our process. A factor is any characteristic that helps explain the long-term risk and return performance of an asset. A company’s financials do not paint the complete picture of a company’s situation and investors’ sentiments can fill in the gap through price momentum and acting as a safety net.

DIRECTORS' STATEMENT

For the financial period ended 30 September 2022

In the opinion of the directors,

- (a) to the best of our knowledge, nothing has come to the attention of the Board of Directors of 8I Holdings Limited (the "Company") which may render the accompanying condensed interim consolidated financial information for the six months ended 30 September 2022 to be false or misleading; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



Chee Kuan Tat, Ken
Director

30 November 2022



Clive Tan Che Koon
Director

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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of 8I Holdings Limited and its subsidiaries (the “Group”) as of 30 September 2022 and the related condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Financial Reporting Standards in Singapore, Interim Financial Reporting (“FRSs 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements does not give a true and fair view of the consolidated financial position of the Group as at 30 September 2022, and of its consolidated financial performance, its consolidated changes in equity and its consolidated cash flows for the six-month period then ended in accordance with FRSs 34



KLP LLP
Public Accountants and
Chartered Accountants

Singapore, 30 November 2022

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Interim Financial Report for the financial period ended 30 September 2022

	Note	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Revenue	4	10,204,853	17,639,657
Investment (losses)/gains	4	(4,646,890)	658,891
Cost of sales and services		(4,804,342)	(4,216,589)
Gross profit		753,621	14,081,959
Other gains		102,705	163,966
Other income	5	217,241	1,303,372
Expenses			
- Administrative expenses		(5,215,009)	(5,915,246)
- Marketing and other operating expenses		(5,227,584)	(5,957,402)
- Finance costs		(79,081)	(22,507)
Share of loss attributable to the unit holders of redeemable participating shares		1,538,840	857,495
(Loss)/profit before income tax		(7,909,267)	4,511,637
Income tax expense	6	(31,788)	(305,742)
(Loss)/profit for the period		(7,941,055)	4,205,895
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation		501,898	137,548
Items that will not be reclassified subsequently to profit or loss:			
- Financial gain/(loss), at FVOCI		28,152	(6,827)
Other comprehensive income, net of tax		530,050	130,721
Total comprehensive (loss)/profit for the period		(7,411,005)	4,336,616
(Loss)/profit attributable to:			
- Owners of the Company		(7,049,360)	3,294,554
- Non-controlling interests		(891,695)	911,341
		(7,941,055)	4,205,895
Total comprehensive (loss)/income attributable to:			
- Owners of the Company		(6,505,817)	3,377,102
- Non-controlling interests		(905,188)	959,514
		(7,411,005)	4,336,616
(Loss)/profit per share attributable to equity holders of the Company (S\$ cent per share)			
- Basic earnings	7	(1.97)	0.92
- Diluted earnings	7	(1.80)	0.92

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 September 2022

	Note	30 Sep 2022 S\$	31 Mar 2022 S\$
ASSETS			
Current assets			
Cash and cash equivalents		33,459,957	26,348,010
Financial assets, at FVPL		8,637,569	24,355,600
Trade and other receivables	8	3,314,704	3,881,715
Current income tax asset		530,925	350,828
		45,943,155	54,936,153
Non-current assets			
Property, plant and equipment		6,595,166	6,907,327
Development of software	9	1,571,279	1,425,352
Financial assets, at FVOCI		1,842,383	1,308,682
Deferred income tax assets		859,403	893,704
		10,868,231	10,535,065
Total assets		56,811,386	65,471,218
LIABILITIES			
Current liabilities			
Trade and other payables		3,572,435	2,835,653
Lease liabilities		815,800	712,505
Bank borrowing		339,987	337,463
Unearned revenue	10	12,082,651	13,301,650
Redeemable participating shares	11	5,726,811	7,383,512
		22,537,684	24,570,783
Non-current liabilities			
Lease liabilities		3,773,907	4,087,895
Bank borrowing		226,658	393,707
Unearned revenue	10	1,048,838	249,867
Deferred income tax liabilities		123,739	129,302
		5,173,142	4,860,771
Total liabilities		27,710,826	29,431,554
NET ASSETS		29,100,560	36,039,664
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		33,731,412	33,731,412
Treasury shares		(209,883)	(209,883)
Other reserves		(11,362,341)	(12,446,325)
Retained profits		4,349,720	11,399,080
		26,508,908	32,474,284
Non-controlling interests		2,591,652	3,565,380
Total equity		29,100,560	36,039,664

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Interim Financial Report for the financial period ended 30 September 2022

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Treasury shares	Fair value reserve	Currency translation reserve	Capital reserve	Employee share plan reserve	Retained profits			Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Half-year FY2023										
Opening balance as at 1 Apr 2022	33,731,412	(209,883)	(11,395,395)	(572,635)	(2,229,579)	1,751,284	11,399,080	32,474,284	3,565,380	36,039,664
Loss for the period	-	-	-	-	-	-	(7,049,360)	(7,049,360)	(891,695)	(7,941,055)
Other comprehensive income for the period	-	-	28,152	515,391	-	-	-	543,543	(13,493)	530,050
Total comprehensive loss for the period	-	-	28,152	515,391	-	-	(7,049,360)	(6,505,817)	(905,188)	(7,411,005)
Value of employee services	-	-	-	-	-	759,336	-	759,336	7,755	767,091
Concentration of subsidiaries without change in control	-	-	-	-	(227,768)	8,873	-	(218,895)	(76,295)	(295,190)
Total transactions with owners of the Company, recognised directly in equity	-	-	-	-	(227,768)	768,209	-	540,441	(68,540)	471,901
Closing balance as at 30 Sep 2022	33,731,412	(209,883)	(11,367,243)	(57,244)	(2,457,347)	2,519,493	4,349,720	26,508,908	2,591,652	29,100,560

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Interim Financial Report for the financial period ended 30 September 2022

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Interim Financial Report for the financial period ended 30 September 2022

	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Cash flows from operating activities		
(Loss)/profit before income tax	(7,909,267)	4,511,637
Adjustments for:		
- Net fair value loss/(gain) of investment securities held at fair value through profit or loss	3,529,344	(3,065,993)
- Net loss on disposal of investment securities held at fair value through profit or loss	1,232,336	2,462,069
- Dividend income	(114,790)	(54,967)
- Interest income	(46,430)	(78,260)
- Depreciation of property, plant and equipment	833,115	833,512
- Amortisation of intangible assets	534,590	264,622
- Property, plant and equipment written off	-	1,023
- Allowance for/(write-back of) credit loss allowance	2,516	(10,394)
- Finance costs	79,081	22,507
- Employee share plan expense	767,091	1,190,219
- Share of loss attributable to the unit holders of redeemable participating shares	(1,538,840)	(857,495)
- Exchange differences	333,391	45,818
	(2,297,863)	5,264,298
Change in working capital:		
- Trade and other receivables	400,276	(1,251,127)
- Financial assets, at FVPL	10,956,351	(9,476,996)
- Trade and other payables	736,782	(449,608)
- Unearned revenue	(420,028)	956,971
Cash generated from/(used in) operations	9,375,518	(4,956,462)
Interest received	46,430	78,260
Dividend received	114,790	54,967
Income tax paid	(183,147)	(378,512)
Net cash provided by/(used in) operating activities	9,353,591	(5,201,747)
Cash flows from investing activities		
Additions to non-controlling interest without a change in control	(371,146)	(71,774)
Additions to property, plant and equipment	(162,767)	(297,393)
Additions to intangible assets	(680,517)	(636,425)
Additions of financial assets through other comprehensive income	(571,230)	-
Net cash used in investing activities	(1,785,660)	(1,005,592)
Cash flows from financing activities		
Proceeds from options	-	90,000
Shares buy-back	-	(240,842)
Repayment of principal portion of lease liabilities	(415,306)	(532,936)
Proceeds from borrowings	-	1,000,000
Repayment of principal portion of bank borrowings	(164,524)	(106,701)
Interest paid	(79,081)	(21,057)
Net proceeds (paid to)/received from fund's non-controlling unit holders	(521,111)	3,774,339
Net cash (used in)/provided by financing activities	(1,180,022)	3,962,803
Net increase/(decrease) in cash and cash equivalents	6,387,909	(2,244,536)
Cash and cash equivalents		
Beginning of financial period	26,348,010	26,819,650
Effects of currency translation on cash and cash equivalents	724,038	65,838
End of financial period	33,459,957	24,640,952

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2022

1. Corporate information

8I HOLDINGS LIMITED (the "Company") is listed on the Australian Securities Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 1557 Keppel Road #01-01 Singapore 089066.

The principal activity of the Company is management consultancy services. The principal activities of its subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
			%	%	%	%	%	%
<u>Held by the Company</u>								
8 Investment Pte. Ltd.	Business management consultancy	Singapore	100	100	100	100	-	-
VI Fund Management Pte. Ltd.	Registered fund management company	Singapore	100	100	100	100	-	-
8IH VCC	Investment trading	Singapore	100	100	100	100	-	-
8IH Global Limited	Investment trading	Mauritius	100	100	100	100	-	-
8VI Holdings Limited	Management consultancy services	Singapore	79.6	78.7	79.6	78.7	20.4	21.3
8BIT Global Pte. Ltd.	Computer programming and data processing and hosting	Singapore	42.0	42.0	82.6	82.2	17.4	17.8
<u>Held through 8VI Holdings Limited</u>								
8VI Global Pte. Ltd.	Seminar and programs organiser	Singapore	-	-	79.6	78.7	20.4	21.3
Vastus Wealth Pte. Ltd. (Formerly known as Valiant Wealth Advisory Singapore Pte Ltd.)	Advisory services	Singapore	-	-	39.8	39.4	60.2	60.6
MetaVI World Pte. Ltd. (Formerly known as 8 Business Pte. Ltd.)	Seminar and programs organiser	Singapore	-	100	63.7	100	36.3	-
<u>Held through 8VI Global Pte. Ltd</u>								
8VI Malaysia Sdn. Bhd.	Seminar and programs organiser	Malaysia	-	-	79.6	78.7	20.4	21.3
8VI Taiwan Co., Ltd	Seminar and programs organiser	Taiwan	-	-	55.7	55.1	44.3	44.9
8VI China Pte. Ltd.	Business management consultancy	Singapore	-	-	51.8	51.2	48.2	48.8
8VIC (Thailand) Company Limited	Dormant	Thailand	-	-	72.1	71.3	27.9	28.7
Value Investing College Pte. Ltd.	Dormant	Singapore	-	-	79.6	78.7	20.4	21.3

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2022

1. Corporate information (continued)

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

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
<u>Held through 8VI Malaysia Sdn. Bhd.</u>								
8VIC JooY Media Sdn. Bhd.	Agency and media	Malaysia	-	-	79.6	78.7	20.4	21.3
8VI FIN Malaysia Sdn. Bhd.	Advisory services	Malaysia	-	-	55.7	55.1	44.3	44.9
<u>Held through 8VI China Pte. Ltd.</u>								
8VI China (Shanghai) Co. Ltd 信益安（上海）实业有限公司	Business and management consultancy services	People's Republic of China	-	-	51.8	51.2	48.2	48.8
<u>Held through 8IH Global Limited</u>								
Hidden Champions Fund	Investment trading	Mauritius	-	-	100	100	-	-

Capital and financial requirements

There are capital and financial requirements imposed on VI Fund Management Pte. Ltd. ("VIFM") and 8BIT Global Pte. Ltd. ("8BIT") by Monetary Authority Singapore (MAS) as registered fund management company and licensed financial advisor respectively.

(i) VIFM and 8BIT are each required to meet a minimum base capital of S\$250,000, by the sum of:

- 1) paid-up ordinary share capital;
- 2) paid-up irredeemable and non-cumulative preference share capital; and
- 3) any unappropriated profit or loss in the latest audited accounts of 8BIT, less any interim loss in the latest accounts and any dividend that has been declared since the latest audited accounts.

(ii) 8BIT is also required to maintain minimum financial requirements at the higher of S\$150,000 paid-up capital or one quarter of relevant annual expenditure of the immediately preceding financial year.

(iii) 8BIT is also required to maintain continuing financial requirements, net asset value of not less than:

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

As at 30 September 2022 and as at the date of these financial statements, VIFM and 8BIT have met the capital and financial requirements stated above.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2022

2. Basis of preparation and changes in accounting policies

The condensed interim consolidated financial information for the half-year ended 30 September 2022 has been prepared in accordance with FRS 34, Interim Financial Reporting.

The condensed interim consolidated financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements as at 31 March 2022 and any public announcements made by 8I Holdings Limited during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

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

3. Significant accounting judgement and estimates

The preparation of the Group's condensed interim 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 Critical judgements in applying the entity's accounting policies

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Revenue and investment (losses)/gains

	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Revenue		
<u>Type of good or service</u>		
Programme fee	4,784,035	12,910,206
Subscription income	4,399,502	4,697,087
Commission income	71,337	32,364
Product sale	943,630	-
Rendering of services	6,349	-
	10,204,853	17,639,657
<u>Timing of transfer of good or service</u>		
At a point in time	5,452,693	12,942,570
Over time	4,752,160	4,697,087
	10,204,853	17,639,657
Investment (losses)/gains		
Fair value (loss)/gain on investment securities	(3,529,344)	3,065,993
Loss on sale of investment securities	(1,232,336)	(2,462,069)
Dividend income	114,790	54,967
	(4,646,890)	658,891

5. Other income

	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Other income		
Interest income	46,430	78,260
Government grants	97,379	96,792
Others	73,432	1,128,320
	217,241	1,303,372

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Interim Financial Report For the financial period ended 30 September 2022

6. Income taxes

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

7. Earnings per share

(a) Basic earnings per share

	Half-year ended 30 Sep 2022	Half-year ended 30 Sep 2021
Net (loss)/profit attributable to equity holders of the Company (S\$)	<u>(7,049,360)</u>	3,294,554
Weighted average number of ordinary shares outstanding for basic earnings per share	<u>357,355,994</u>	358,652,401
Basic earnings per share (S\$ cent per share)	<u>(1.97)</u>	0.92

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: performance rights.

The weighted average number of shares on issue has been adjusted as if all dilutive performance rights were exercised. No adjustment is made to the net profit.

	Half-year ended 30 Sep 2022	Half-year ended 30 Sep 2021
Net (loss)/profit attributable to equity holders of the Company (S\$)	<u>(7,049,360)</u>	3,294,554
Weighted average number of ordinary shares outstanding for basic earnings per share	<u>357,355,994</u>	358,652,401
Adjustments for performance rights	<u>35,000,000</u>	-
	<u>392,355,994</u>	358,652,401
Diluted earnings per share (S\$ cent per share)	<u>(1.80)</u>	0.92

8. Trade and other receivables

	30 Sep 2022 S\$	31 Mar 2022 S\$
Current		
Trade receivables		
- Non-related parties	486,872	958,379
Other receivables		
- Non-related parties	622,164	605,077
- Others	845,750	972,734
Deposits (including cash reserves)	916,882	982,331
Prepayments	758,507	680,131
Credit loss allowance	(315,471)	(316,937)
	<u>3,314,704</u>	<u>3,881,715</u>

Trade receivables are non-interest bearing and are generally on 7 to 30 days' terms (31.03.2022: 30 to 60 days' term). There is no other class of financial assets that is past due and/or impaired except for trade receivables.

Included in current deposits are cash reserves of S\$416,000 (31.03.2022: S\$426,500) as required by Global Payments Asia Pacific (Hong Kong Holding) Limited and Green World FinTech Service Co., Ltd. in order to provide services in accordance with the merchant agreements.

Included in other receivables S\$598,694 (31.03.2022: S\$626,509) is legal compensation, its 5% interest income accrued and legal costs to be reimbursed from a legal case of a subsidiary.

9. Development of software

	30 Sep 2022 S\$	31 Mar 2022 S\$
Cost		
Beginning of financial period	2,581,348	1,323,061
Additions	680,517	1,258,287
End of financial period	<u>3,261,865</u>	<u>2,581,348</u>
Accumulated amortisation		
Beginning of financial period	1,155,996	532,660
Amortisation charge	534,590	623,336
End of financial period	<u>1,690,586</u>	<u>1,155,996</u>
Net book value	<u>1,571,279</u>	<u>1,425,352</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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9. Development of software (continued)

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

	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Administrative expenses	<u>534,590</u>	264,622

10. Unearned revenue

	30 Sep 2022 S\$	31 Mar 2022 S\$
Current		
Advances from customer	12,082,651	13,301,650
Non-current		
Advances from customer	<u>1,048,838</u>	249,867
	<u>13,131,489</u>	13,551,517

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

11. Redeemable participating shares

	30 Sep 2022 S\$	31 Mar 2022 S\$
As at beginning of period	7,383,512	5,359,489
Proceeds received from fund's non-controlling unit holders	83,700	5,356,053
Payment to fund's non-controlling unit holders	(604,811)	(687,480)
Share of loss attributable to the unit holders of redeemable participating shares	(1,538,840)	(2,670,405)
Currency translation differences	403,250	25,855
As at end of period	<u>5,726,811</u>	7,383,512

8IH VCC and Hidden Champions Fund are investment funds with redeemable participating shares. These shares relate to amounts payable to non-controlling unit holders of the redeemable participating shares in 8IH VCC and Hidden Champions Fund. The unit holders are entitled to redeem their shares in cash at the option of the holders at the value proportionate to the investors share in the fund's net assets at the redemption price.

12. Related party transactions

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

(a) Transactions with related parties

	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Purchases of goods and services from other related party	<u>58,000</u>	-

Other related party comprise of a company which a Group's key management's close family member has significant influence.

(b) Directors and key management personnel compensation

	Half-year ended 30 Sep 2022 S\$	Half-year ended 30 Sep 2021 S\$
Wages, salaries and fees	622,400	1,037,781
Employer's contribution to defined contribution plans, including Central Provident Fund	30,600	50,532
Employee share plan	<u>757,977</u>	742,666
	<u>1,410,977</u>	1,830,979

13. 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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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

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13. Fair value of assets and liabilities (continued)

(b) Financial instruments measured at fair value

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

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Unobservable inputs	Total
	Level 1	Level 2	Level 3	
	S\$	S\$	S\$	S\$
As at 30 Sep 2022				
Assets measured at fair value				
Financial assets:				
Financial assets, at FVPL	8,637,569	-	-	8,637,569
Financial assets, at FVOCI	6,746	177,076	1,658,561	1,842,383
Financial assets as at 30 Sep 2022	8,644,315	177,076	1,658,561	10,479,952
As at 31 Mar 2022				
Assets measured at fair value				
Financial assets:				
Financial assets, at FVPL	24,355,600	-	-	24,355,600
Financial assets, at FVOCI	221,351	-	1,087,331	1,308,682
Financial assets as at 31 Mar 2022	24,576,951	-	1,087,331	25,664,282

There were no transfers between levels 1 and 2 during the period.

The fair value of financial instruments traded in active markets (such as fair value through profit and loss and financial assets through other comprehensive income) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, investment in unquoted equities) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation methods, such as using recent transacted price, are used to determine fair value for the remaining financial instruments. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values.

14. Segment information

The Group is organised into geographic business units based on management reporting structure and organisational set-up, in line with the main business divisions driving the growth of the Group. Geographically, management manages and monitors the business in two primary geographic areas namely Singapore and Malaysia, where the Company and certain subsidiaries operate. Based on the management reporting structure, management reviews the business segments' performance and to make strategic decisions.

The segments under the reporting model are as follows:

- **Financial Education:** involved in providing financial education in the discipline of value investing and Web 3.0; and supporting a community of value investors globally under the "VI" brand.
- **Financial Investment:** involved in investment in listed equities in the United States and Asia-Pacific through strategies focusing on research-driven and systematic stock selection process investing in Growth Businesses with favourable industry dynamics over mid to long term.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Financial Report For the financial period ended 30 September 2022

14. Segment information (continued)

- **All other segments:** included fintech business and subsidiaries that provided financial education and training in Taiwan.

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

The segment information provided to the key management for the reportable segments are as follows:

	← Singapore →		Malaysia	All other	Corporate	TOTAL
	Financial Education	Financial Investment	Financial Education	segments	S\$	S\$
	S\$	S\$	S\$	S\$	S\$	S\$
30 Sep 2022						
Revenue and investment losses						
Total segment revenue and investment losses	4,018,244	(4,466,889)	2,055,085	5,510,706	588,832	6,703,914
Inter-segment revenue and investment losses	(563,384)	(180,000)	(93,813)	(721,986)	(588,832)	(1,145,951)
Revenue and investment losses to external parties	3,454,860	(4,646,889)	1,961,272	4,788,720	-	5,557,963
Loss after tax	(1,634,507)	(3,548,333)	(1,749,472)	(27,635)	(981,108)	(7,941,055)
30 Sep 2022						
Segment assets	16,795,272	17,535,145	3,682,886	12,377,435	6,420,648	56,811,386
Segment assets includes additions to:						
- property, plant and equipment	271,155	-	141,739	120,429	615	533,938
- development of software	-	-	-	680,517	-	680,517
Segment liabilities	(9,246,381)	(7,322,852)	(4,954,158)	(4,864,932)	(1,322,503)	(27,710,826)
30 Sep 2021						
Revenue and investment gains						
Total segment revenue and investment gains	7,880,241	828,891	5,800,076	5,181,802	293,974	19,984,984
Inter-segment revenue and investment gains	(1,085,136)	(170,000)	(137,326)	-	(293,974)	(1,686,436)
Revenue and investment gains to external parties	6,795,105	658,891	5,662,750	5,181,802	-	18,298,548
Profit after tax	2,088,663	733,823	589,347	1,920,410	(1,126,348)	4,205,895
31 Mar 2022						
Segment assets	22,563,630	13,161,781	4,651,882	9,269,708	15,824,217	65,471,218
Segment assets includes additions to:						
- property, plant and equipment	3,027,066	93,888	156,202	1,798,461	2,260,445	7,336,062
- development of software	-	-	-	1,258,287	-	1,258,287
Segment liabilities	(12,721,616)	(3,671,762)	(4,219,680)	(4,640,540)	(4,177,956)	(29,431,554)



8I Holdings Limited

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