



ASX ANNOUNCEMENT

For Immediate Release

8I Holdings Ltd (ASX: 8IH) **Restatement of Prior Period Financial Information**

29 November 2016, Singapore

The Board of Directors of 8I Holdings Limited (the “Company” and together with its subsidiaries, collectively, the “Group”) wishes to announce prior year adjustments (“PYA”) of S\$1,237,679 to be made to the Financial Statements for the financial year ended 31 March 2016 (“FS2016”) and the FS2016 is to be restated.

The restatement will reduce the net profit of FS2016 by S\$1,237,679 and increase the net profit for the first half of financial year ended 30 September 2016 (“1H FY2017”) by the same amount. The impact is net-off for both reporting periods.

Background

On 30 June 2015, the Company’s subsidiary, 8 Investment Pte. Ltd., acquired 100% of the issued share capital of Fusion 462 Pte. Ltd. (“Fusion 462”), Vue at Red Hill Pte. Ltd. (“Red Hill”) and Oxford Views Pte. Ltd. (“Oxford Views”), together with their respective wholly-owned subsidiaries, Fusion 462 Pty Ltd (“Fusion 462 Aus”), Vue at Red Hill Pty Ltd (“Red Hill Aus”) and Oxford Views Pty Ltd (“Oxford Views Aus”) at an aggregate consideration of A\$2,329,207. Fusion 462, Fusion 462 Aus, Red Hill, Red Hill Aus, Oxford Views and Oxford Views Aus became wholly-owned subsidiaries of the Company immediately thereafter.

Subsequent to the acquisition, on 2 July 2015, Fusion 462 and Red Hill sold their respective entire interest in Fusion 462 Aus and Red Hill Aus to Velocity Property Group Limited (previously known as Velocity Holdings Pty Ltd) (“Velocity”), a boutique property developer that develops multi-unit apartment and mixed commercial developments in Queensland, Australia, in exchange for 49.9% issued ordinary shares in Velocity.

Reasons for the prior period adjustments

The management, while preparing the financial statements of the Group for the period ended 30 September 2016, reconsidered that the acquisition of Fusion 462, Red Hill and Oxford Views and the acquisition of Velocity were treated as two separate transactions in the prior period. The acquisition of Fusion 462, Red Hill and Oxford Views gave rise to a goodwill of S\$1,237,679 and the subsequent share swaps between Fusion 462 Aus, Red Hill Aus and Velocity gave rise to a gain on sale of subsidiaries’ shares of S\$1,674,213 in the prior financial year. In consultation with the present auditors, the management has reassessed these transactions and concluded that these two transactions should be considered as one single merger and acquisition transaction, consisting of two stages, due to the nature of the transaction.

The result of the review is that the Group should not recognise the goodwill of S\$1,237,679 in the prior year financial statements. The acquisition of Fusion 462, Red Hill and Oxford Views should give rise to a gain from bargain purchase of S\$436,535 instead of a gain from sale of subsidiaries’

shares of S\$1,674,213 after taking into account the fair value of the two transactions on an aggregated basis.

Impact on the adjustments in prior period

The differences have been corrected by restating each of the affected financial statement line items for the prior period/year as follows:

Consolidated statement of comprehensive income (extract)	Half year 30 September 2016 S\$	Increase S\$	Half year 30 September 2016 (restated) S\$
Gain from bargain purchase	48,503	436,535	485,038
Net profit	15,302,602	436,535	15,739,137

Consolidated statement of comprehensive income (extract)	Full year 31 March 2016 S\$	Increase / (decrease) S\$	Full year 31 March 2016 (restated) S\$
Gain from sale of subsidiaries' shares	1,674,213	(1,674,213)*	-
Gain from bargain purchase	48,503	436,535	485,038
Net profit	18,807,203	(1,237,679)	17,569,524

Balance sheet extract	31 March 2016 S\$	Decrease S\$	31 March 2016 (restated) S\$
Intangible assets (goodwill)	3,138,751	(1,237,679)	1,901,072
Total assets	61,120,851	(1,237,679)	59,883,172
Net assets	53,660,512	(1,237,679)	52,422,833
Retained earnings	18,016,959	(1,237,679)	16,779,280

* The gain on sale of subsidiaries' shares amounting to S\$1,674,213 was not recorded in the six-months period ended 30 September 2015 and accordingly, no adjustment is required to be made to the consolidated income statement for the six-months period ended 30 September 2015.

Comparative balances will be re-stated in the next set of statutory accounts to be lodged by the Company.

Impact on the PYA to the current period financial

During the current financial period, the Group disposed 100% of its holdings in Oxford Views Aus and 78.6% of its holding in Velocity. The restatements, which reduced the goodwill by S\$1,237,679, will increase the gain from sale of shares by S\$1,237,679 in the current financial period.

The impact on the adjustments in the current period are as follows:

Consolidated statement of comprehensive income (extract)	1 st Half FY2017 S\$	Increase / (decrease) S\$	1 st Half FY2017 S\$
Gain from sale of a subsidiary's shares	8,214,552	2,155,798	10,370,350
Gain from sale of an associate's shares	2,117,955	(918,119)	1,199,836
Gain on initial recognition at its fair value from former associate to available-for-sale	1,160,825	-	1,160,825
Net gain	11,493,332	1,237,679	12,731,011



“While the restatement is necessary from an accounting and audit perspective, it does not impact the Group’s net total assets and cash position in the current period. The Group continues to actively look for opportunities to expand its business across all segments and looks forward to announcing new initiatives in due course,” said Mr Ken Chee, Executive Chairman of **8I** Holdings Limited.

ENDS

For further information, please email info@8iholdings.com.

Media Enquiries:

Louis Chua
Company Secretary (Australia)
8I Holdings Ltd
+65 6225 8480 ext. 114
louis@8iholdings.com

Sally Teo
Investor Relations
8I Holdings Ltd
+65 6225 8480 ext. 116
info@8iholdings.com

About 8I Holdings Limited

With offices in Singapore, Kuala Lumpur and Shanghai, **8I** Holdings Limited is a strategic investment company focused on investing in public listed companies and private businesses based on the principles of value investing. Through **8I** Education, it is also one of the leading financial education and training providers in Singapore and Malaysia, supporting its participants to build a foundation of value investing knowledge and methodology.